

## PENNSYLVANIA

George H. Cunningham, Emaus.  
Louis S. Matiska, Glassmere.

## WASHINGTON

Joseph A. Dean, Castle Rock.  
Arthur H. Eldredge, Colfax.  
Carl J. Gunderson, East Stanwood.  
Nelson J. Craigie, Everett.  
Wayne L. Talkington, Harrington.  
Amy E. Ide, Outlook.  
Ernest C. Day, Palouse.  
Lewis Murphy, Republic.  
Thomas B. Southard, Wilsoncreek.  
Herman L. Leeper, Yakima.

## WISCONSIN

Paul W. Schuette, Ableman.  
George E. Grob, Auburndale.  
Leslie D. Jenkins, Bagley.  
Leslie H. Thayer, Birchwood.  
Henry C. Scheller, Cecil.  
Hazel A. Fritchen, Franksville.  
Carlton C. Good, Neshkoro.  
Edith Best, Prairie Farm.  
John E. Wehrman, Prescott.  
Clara H. Schmitz, St. Cloud.  
Charles A. Arnot, South Wayne.  
Oscar M. Waterbury, Williams Bay.

## REJECTION

*Executive nomination rejected by the Senate May 7 (legislative day of April 30), 1930*

ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES  
John J. Parker, of North Carolina.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, May 7, 1930

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, with the full consciousness of our demerits we come to Thee to obtain mercy and pardon. Forgive our sins and let disappointment and pain blossom into gladness. Teach us how to fulfill the vows which we have made, both in public and in private, and enable us to stand in the strength of God and in the fear of man. Bless the labors of this day and breathe a sweet satisfaction into our souls. Bring to the whole earth Thy glory, so that all men may learn peace founded upon national integrity and justice. Stir in our breasts aspirations for things noble and divine. O let flowers, reeds, and grasses, which are breaking through the earth, remind us of that eternal spring when we awake from dreams of God. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11780. An act granting the consent of Congress to Louisville & Nashville Railroad Co. to construct, maintain, and operate a railroad bridge across the Ohio River at or near Henderson, Ky.

## AMENDMENT TO THE UNITED STATES WAREHOUSE ACT

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. HAUGEN (when the Committee on Agriculture was called). Mr. Speaker, I call up the bill (H. R. 7) to amend sections 4, 6, 8, 9, 10, 11, 12, 25, 29, and 30 of the United States warehouse act, approved August 11, 1916, as amended.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for its consideration.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7) to amend sections 4, 6, 8, 9, 10, 11, 12, 25, 29, and 30 of the United States warehouse act, approved August 11, 1916, as amended, with Mr. SIMMONS in the chair.

The Clerk read the title of the bill.

Mr. JONES of Texas. Mr. Chairman, I would like to ask the chairman of the committee the order in which it is proposed to bring up the bills to-day.

Mr. HAUGEN. In the order they were reported by the committee.

Mr. JONES of Texas. The gentleman proposes to follow that order?

Mr. HAUGEN. I intend to follow that order except where unanimous consent may be granted to take up other bills out of order.

Mr. JONES of Texas. Will the foreign-service bill be brought up as the second bill?

Mr. HAUGEN. That will probably be the third bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 4 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 244), is amended to read as follows:

"SEC. 4. That the Secretary of Agriculture, or his designated representative, is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this act and the rules and regulations prescribed hereunder."

SEC. 2. That section 6 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 247), is amended to read as follows:

"SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the terms of this act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this act, and may, in the discretion of the Secretary of Agriculture, include the requirements of fire and/or other insurance. Whenever the Secretary of Agriculture, or his designated representative, shall determine that a previously approved bond is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked."

SEC. 3. That section 8 of the United States warehouse act of August 11, 1916, as amended (U. S. C., title 7, sec. 250), is amended to read as follows:

"SEC. 8. That upon the filing with and approval by the Secretary of Agriculture, or his designated representative, of a bond, in compliance with this act, for the conduct of a warehouse, such warehouse may be designated as bonded hereunder; but no warehouse shall be designated as bonded under this act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in section 6, has been filed with and approved by the Secretary of Agriculture, or his designated representative, nor unless the license issued under this act for the conduct of such warehouse remains unsuspended and unrevoked."

SEC. 4. That section 9 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 248), is amended to read as follows:

"SEC. 9. That the Secretary of Agriculture, or his designated representative, may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products, and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this act, and the rules and regulations hereunder affecting warehousemen licensed under this act, and shall otherwise be subject to this act, and such rules and regulations, to the same extent as is provided for warehousemen licensed hereunder."

SEC. 5. That section 10 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 251), is amended to read as follows:

"SEC. 10. That the Secretary of Agriculture, or his designated representative, may charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this act when such examination or inspection is made upon application of a warehouse-

man, and for each license issued to a warehouseman or to any person to classify, inspect, grade, sample, and/or weigh agricultural products stored or to be stored under the provisions of this act, the Secretary of Agriculture, or his designated representative, may charge, assess, and cause to be collected a reasonable fee. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts."

SEC. 6. That section 11 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 252), is amended to read as follows:

"SEC. 11. That the Secretary of Agriculture, or his designated representative, may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample, or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this act, according to condition, grade, or otherwise, and to certificate the condition, grade, or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample, or classify and weigh the same and to certificate the condition, grade, or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this act and of the rules and regulations prescribed hereunder so far as the same relate to him."

SEC. 7. That section 12 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 253), is amended to read as follows:

"SEC. 12. That any license issued to any person to inspect, sample, or classify, or to weigh any agricultural product or products under this act may be suspended or revoked by the Secretary of Agriculture, or his designated representative, whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing that such licensee has failed to inspect, sample, or classify, or to weigh any agricultural product or products correctly, or has violated any of the provisions of this act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing."

SEC. 8. That section 25 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 264), is amended to read as follows:

"SEC. 25. That the Secretary of Agriculture, or his designated representative, may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license to any warehouseman conducting a warehouse under this act, for any violation of or failure to comply with any provision of this act or of the rules and regulations made hereunder, or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing."

SEC. 9. That section 29 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 269), is amended to read as follows:

"SEC. 29. That in the discretion of the Secretary of Agriculture he is authorized to cooperate with State officials charged with the enforcement of State laws relating to warehouses, warehousemen, weighers, graders, inspectors, samplers, or classifiers; but the power, jurisdiction, and authority conferred upon the Secretary of Agriculture under this act shall be exclusive with respect to all persons securing a license hereunder so long as said license remains in effect. This act shall not be construed so as to limit the operation of any statute of the United States relating to warehouses or to warehousemen, weighers, graders, inspectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States."

SEC. 10. That section 30 of the United States warehouse act, approved August 11, 1916, as amended (U. S. C., title 7, sec. 270), is amended to read as follows:

"SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture, or his designated representative, under this act, or who shall violate or fail to comply with any provision of section 8 of this act, or who shall issue or utter a false or fraudulent receipt or certificate, or change in any manner an original receipt or certificate subsequently to issuance by a licensee, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse, and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$10,000, or double the value of the products involved if such double value exceeds \$10,000, or imprisoned not more than 10 years, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direc-

tion of the Secretary of Agriculture, for the value of such products to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive, a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this act, or who shall classify, grade, or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof fined not more than \$500, or imprisoned for not more than six months, or both, in the discretion of the court."

During the reading of the bill—

Mr. TILSON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN (Mr. HOLADAY). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from New York [Mr. CLARKE] whatever time he may desire.

The CHAIRMAN. The gentleman from New York is recognized for one hour.

Mr. CLARKE of New York. Mr. Chairman, beloved colleagues all, Government in its final objects should render service to its people. Representatives, if true to their duty, should see to it that the departments of our Government are kept working to the "nth" power in rendering that service.

The one great unorganized branch of productivity amongst our people is agriculture. To give to the people upon the farms their fair meed of protection and their inalienable right to organize is fundamental.

The ultimate answer of agriculture, or the producers of any particular commodity to economic equality, lies in the cooperative movement, along with the orderly assembling at points of production of the particular commodities that shall be fed into the national and international markets of the world through a farm board knowing market conditions, and rationally shipping their products into those markets when needed, preventing gluts, and with measured production keeping surplus from destroying the advantages we are seeking to build.

In 1916 an act known as the Federal warehouse act was passed by the Congress and sent on its mission of helpfulness to agriculture. It has gradually developed into a great institution, where these warehouses not federally owned, are licensed and bonded and farm products can be stored, warehouse receipts issued, and money borrowed thereon at fair rates of interest.

In 38 different States, largely at points of production, these warehouses are established that feed into interstate business in their normal market these commodities when needed.

With the gradual growth of these supervised warehouses bankers have come to rely on them and the warehouse receipts issued on products therein, as well as the Federal reserve and the intermediate credit banks, so that the receipts have become an important part in the economic and financial machinery of the country sponsored by Uncle Sam in the great cause of agriculture.

For the last several years 13 different farm products aggregating about \$1,000,000,000 in value were assembled at or near points of origin, stored in these supervised warehouses, and warehouse receipts issued thereon, and money borrowed on these receipts at a fair rate of interest.

This bill has been unanimously reported by the Committee on Agriculture for the simple purpose of amending the warehouse act and enlarging it in its mission of helpfulness to our farmers.

The sections 4, 8, 9, 11, 12, and 25 simply amend the act by inserting after the words "the Secretary of Agriculture" the words "or his designated representative." The object of these amendments is to relieve the Secretary of Agriculture of a multitude of details without weakening the act. All these amendments relate to routine actions in connection with the bonds, issuing of licenses, and so forth.

The purpose of the amendment to section 10 is that the Secretary of Agriculture shall be allowed to and authorized to charge such a license fee as he deems reasonable whenever a license is issued to a warehouseman, a sampler, inspector, weigher, or grader.

The only section of that bill that should raise any question at all in any Member's mind is the section 29 amendment. Under the present law, if the Federal act in any way conflicts with State laws, the Federal act becomes subservient to the State law in so far as there is conflict. The result is that the Federal law can be negated by State legislation. This condition has put a severe limitation at times on Federal warehouse receipts attaining that degree of usefulness that they should have, and that the Congress intended they should have for collateral purposes. In fact, this very limitation can defeat the very intent of Congress and render worthless as collateral the receipts issued under the law. Any clause or phrase in the law which raises a doubt in the banker's mind about the



receipts casts a cloud on their collateral value. As the one big purpose of the warehouse act was and is to convert the farm products into collateral value and as this act, during the past 10 years, has proved its value to the farmer and his cooperative associations we should not hesitate to perfect it and make the warehouse receipts issued thereunder above suspicion.

More than any other Congress this Congress has evidenced, irrespective of party, a sincere desire to give to agriculture that equality of opportunity that rightly belongs to her.

This bill, if enacted, promises a safe, economically sound step in that direction.

I respectfully present to you this bill in the hope again, that from the North, East, South, or West, there will be no discordant note in the effort of Uncle Sam and his representatives in their endeavor to give to the farmers a little larger chance to help themselves. [Applause.]

Mr. CRISP. Will the gentleman yield for a question?

Mr. CLARKE of New York. Yes.

Mr. CRISP. I am seeking information. I did not hear the first part of the gentleman's speech. Under the bill is it possible for a State warehouse to obtain the privilege of being bonded as a Federal warehouse and only be bonded for part of the products of the warehouse? In other words, where a State warehouse is bonded under this act, are all the commodities stored in that warehouse protected by the bond or can just a part of them be protected by the bond?

Mr. CLARKE of New York. All that goes into the warehouse is protected by the bond.

Mr. CRISP. I think that is the way it should be. There has been some criticism that the bonding has been limited. I do not think that is right. I think that where the warehouse advertises that it is a bonded warehouse all those dealing with it should have the right to presume that everything in it is bonded.

Mr. CLARKE of New York. I reserve the balance of my time.

Mr. ASWELL. Mr. Chairman, there is no request for time on this side and I think there is no opposition to the bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill for amendment.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SIMMONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7 and had directed him to report the same back with the recommendation that it be passed.

Mr. HAUGEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion by Mr. HAUGEN to reconsider the vote whereby the bill was passed was laid on the table.

#### COMMITTEE ON EDUCATION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Education may be permitted to sit to-morrow afternoon and for the balance of the week.

The SPEAKER. The gentleman from New York asks unanimous consent that the Committee on Education may, beginning to-morrow afternoon, sit for the remainder of the week. Is there objection?

There was no objection.

#### AMENDING THE FEDERAL FOOD AND DRUGS ACT

Mr. HAUGEN. Mr. Speaker, I call up the bill (H. R. 730) to amend section 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended.

The SPEAKER. The gentleman from Iowa calls up the bill, which the Clerk will report.

The Clerk read as follows:

H. R. 730

A bill to amend section 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended

Be it enacted, etc., That section 8 of the act of June 30, 1906, entitled "An act for preventing the manufacture, sale, or transportation of

adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," as amended, is amended by adding at the end thereof the following:

"Fifth. If it be canned food and falls below the standard of quality, condition, and/or fill of container, promulgated by the Secretary of Agriculture for such canned food and its package or label does not bear a plain and conspicuous statement prescribed by the Secretary of Agriculture indicating that such canned food falls below such standard. For the purposes of this paragraph the words 'canned food' mean all food which is in hermetically sealed containers and is sterilized by heat, except meat and meat food products, which are subject to the provisions of the meat inspection act of March 4, 1907 (34 Stat. 1260), as amended, and except canned milk; the word 'class' means and is limited to a generic product for which a standard is to be established and does not mean a grade, variety, or species of a generic product. The Secretary of Agriculture is authorized to determine, establish, and promulgate, from time to time, a reasonable standard of quality, condition, and/or fill of container for each class of canned food as will, in his judgment, promote honesty and fair dealing in the interest of the consumer; and he is authorized to alter or modify such standard from time to time as, in his judgment, honesty and fair dealing in the interest of the consumer may require. The Secretary of Agriculture is further authorized to prescribe and promulgate from time to time the form of statement which must appear in a plain and conspicuous manner on each package or label of canned food which falls below the standard promulgated by him, and which will indicate that such canned food falls below such standard, and he is authorized to alter or modify such form of statement, from time to time, as in his judgment may be necessary. In promulgating such standards and forms of statements and any alteration or modification thereof, the Secretary of Agriculture shall specify the date or dates when such standards shall become effective, or after which such statements shall be used, and shall give public notice not less than 90 days in advance of the date or dates on which such standards shall become effective or such statements shall be used. Nothing in this paragraph shall be construed to authorize the manufacture, sale, shipment, or transportation of adulterated or misbranded foods."

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Speaker, the bill under consideration is the identical bill that passed the House in the Seventieth Congress under the number H. R. 15128. This bill passed the House February 25, 1929. At that time extended hearings were held on the bill, and the report of the committee, as I recall it, was practically unanimous.

Now, the purpose of the bill can be stated in a very few words. It is in the nature of an amendment to the general food laws, and it amends them to this extent: That it gives the Secretary of Agriculture the authority to require in the interest of the consuming public distinctive and informative labeling of canned goods below a certain minimum of requirement.

This legislation is approved by the Department of Agriculture and is presented for your consideration for two or three reasons, which I will state in a word. First, as a matter of the protection of the consumer. We have found that where canned goods are to-day coming to be a very prominent part of the food industry that they have been put on the market without uniform labeling; that men who have been in business a long time have established their own grade and we have accepted the trade and grade name of the article in lieu of well-established legislative standards and grades. Very naturally, of course, the label and the grade of a certain manufacturer depended upon his own notion with respect to it, but there seemed to be no definite standard that meant something to the people of the whole United States. Therefore, the Committee on Agriculture, considering this matter, deemed it advisable to provide that in canned goods there should be a certain legislative standard established, and that goods below this standard should be marked with a distinctive label so that when the individual purchaser went into the market to buy goods he would know that there had been a standard established by the Government itself and that the goods that he purchased without this particular label were above the minimum standard.

Following this if the individual manufacturers desire to establish higher grades above these standards and establish trade names in connection with them, all well and good. So this bill is presented with that idea in mind.

An additional thought is worthy of a moment's emphasis. The canning industry has come to be one of our very great and important industries, and to-day it is making use of the warehouse act, which we just amended, in this very interesting way. The canned goods to-day are taken to the bonded warehouses, and when they do have a distinctive grade which is indicated by the label and which under this legislation would be protected by the Government itself, then the warehouseman will know that

those goods are up to standard, and the facilities of the warehouse act can be made to apply very much more generally than they do at the present time. I am sure that all of you who are familiar at all with the canning business understand very well that it is necessary for them during the canning season to use tremendous sums of money, and this act will enable them to make use of the Federal warehouse act, and the warehouse certificates for the purpose of borrowing money to finance their operations.

As a matter of protection to the consumers, and as an advantage to those who are engaged in the canning business by enabling them to secure advances upon products which they can, we present this legislation and trust it will meet with the unanimous approval of the House of Representatives.

Mr. PALMER. Mr. Speaker, will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. PALMER. Each State now has its board of food and drug inspectors. They have a standard, say, on a certain class of canned goods. Suppose the department prescribes a different standard. Is it liable to conflict with the canner who has a great supply on, and will it likely put his goods out of the market?

Mr. KETCHAM. I think not. The experience your committee has had is this, that many State authorities desire a modification of the act by providing grades above the minimum, but that is to be cared for in subsequent legislation; as I understand it, in a bill already introduced by a member of our committee, the gentleman from Kansas [Mr. HOPE]. That will cover the point the gentleman has in mind.

Mr. PALMER. Each State has its standard, of course.

Mr. KETCHAM. It would not interfere at all unless some of these standards put out by the State did not come up to the minimum standard provided here.

Mr. PALMER. I think this is a good bill and that the public needs protection.

Mr. KETCHAM. And, more than that, it would not affect at all unless the goods move in interstate commerce.

Mr. BRIGHAM. As a matter of fact, would not the Secretary of Agriculture probably give the canning industry time to work off the goods already on hand?

Mr. KETCHAM. Without any question.

Mr. MENGES. Mr. Speaker, I offer the following amendment which I send to the Clerk's desk.

The SPEAKER. Does the gentleman from Iowa yield to the gentleman from Pennsylvania for the purpose of offering an amendment?

Mr. HAUGEN. Yes.

The SPEAKER. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MENGES: Page 2, line 23, after the word "require" insert a colon and the following: "Provided, That the standards of quality and condition for any canned foods which have been or which in the future may be established by or under authority of any other act of Congress shall be and are hereby adopted for the purpose of this act as the official standards of the United States for canned foods."

Mr. CHINDBLOM. Mr. Speaker, I reserve the point of order on that.

The SPEAKER. The gentleman from Illinois reserves the point of order.

Mr. MENGES. Mr. Speaker, I told the committee that I was going to offer an amendment to this bill. I do not think that anybody was allowed to be under any delusion about it. At the present time the Department of Agriculture has established standards for the various kinds of canned goods. They have established a standard for peas, a standard for beans, and for any other canned product. The thing that I want to guard against with this amendment is that these standards shall not be interfered with. There is another thing to which the gentleman from Michigan [Mr. KETCHAM] referred, and that is that there is a bill in the hands of the committee now which establishes grades, and in order that this legislation may not interfere with the grades that are to be established in the bill now before the committee, and which has not been reported out, this amendment is offered.

There is no intention to interfere with the legislation here; only to safeguard what we now have and what we propose to have. That is the idea I have in mind. If the committee chooses to accept the amendment, I shall be glad.

Mr. BRIGHAM. Mr. Speaker, will the gentleman yield?

Mr. MENGES. Yes.

Mr. BRIGHAM. Does not the bill proposed contemplate permissive grades, and not compulsory grades?

Mr. MENGES. They are permissive now.

Mr. BRIGHAM. I understand the only grades that are promulgated by the Department of Agriculture are for the purpose of assisting the operation of the warehouse act.

Mr. MENGES. Answering the gentleman from Vermont, permit me to say that this amendment that I have offered is intended to protect the small canner, so that if he puts out a package of a superior character he can have it stamped by the Government, and then he can go and store these goods in the licensed warehouse of the Government and get a draft on them to finance him for the time being.

Mr. BRIGHAM. Will not the effect of the gentleman's amendment be this, that if the so-called Hope bill be passed, permitting the Government to promulgate permissive grades, the amendment he offers will then become compulsory?

Mr. MENGES. I think not, because the Hope bill states that the grades shall be permissive.

Mr. BRIGHAM. Does not your amendment provide that any grades promulgated by the Secretary of Agriculture shall become compulsory in effect?

Mr. MENGES. I do not read it so. I do not think so.

Mr. HALSEY. Mr. Speaker, will the gentleman yield there for a question?

Mr. MENGES. Yes.

Mr. HALSEY. Your amendment provides that canned goods going into interstate commerce must comply with this standard set up by the United States Government?

Mr. MENGES. If they are shipped in interstate commerce, if graded and stamped by the United States Government as the Hope bill requires, grading above the substandard here established.

Mr. HALSEY. That is, the goods shipped in one State must be of the same standard as those shipped in another State—for instance, canned goods in Missouri, as compared with those canned in Wisconsin, shall comply with a certain standard?

Mr. MENGES. Certainly. The Government requires the standard in Missouri to be the same as in Wisconsin.

Mr. HALSEY. Goods going from one State to another must be controlled by your amendment as fixed by the United States standard?

Mr. MENGES. That is the same thing as exists now. I do not see that there is any trouble in the amendment or that it would interfere with the act we are now about to pass. In fact, I feel that it will safeguard the present standards or grades that have been established by the Government and will safeguard future legislation so that it will not be interfered with by this bill. That is my idea about it.

Mr. CHINDBLOM. Mr. Speaker, I am ready to argue the point of order.

Mr. MENGES. I am not sufficiently familiar with points of order to know how to argue one. I am not a lawyer. I am simply offering this amendment to safeguard the small canners, such as those who live in my district.

Mr. HUDSON. Mr. Speaker, will the gentleman yield?

Mr. MENGES. Yes.

Mr. HUDSON. As I sense the gentleman's argument, he believes that later on, if we pass the so-called Hope bill, we shall have to amend this to provide for the provisions established in the Hope bill?

Mr. MENGES. Yes. This bill establishes only one standard, and that is a substandard; and it not only establishes a substandard but puts these goods under the food and drugs act, a penal law. Anybody who ships a carload of canned goods, say, from my district to Missouri may have a certain grade on them; but suppose some one finds a can in that shipment not poisoned, but damaged. He can condemn the whole car and give that canner all the trouble he is looking for. To prevent that I am offering this amendment.

I think this is a damaging and dangerous thing to put the canning industry definitely under the food and drugs act. You will find it out in your State later if you do not find it out now. My idea is that this is a bill to protect the big canner and put the small canner out of business. That is my idea about it.

If there are any other questions to be asked I shall be glad to try to answer.

Mr. BRIGHAM. If the bill introduced by the gentleman from Kansas [Mr. HOPE] shall become a law, providing for permissive grades above the standard grade, grades A, B, C, and so forth—

Mr. MENGES. But this bill does not provide for that.

Mr. BRIGHAM. It will enable the Secretary of Agriculture to promulgate such grades, and the canning factories can, if they choose, use those grades and label containers accordingly. Why will it be necessary to have additional legislation?

Mr. MENGES. To safeguard what we now have and to safeguard the future.



Mr. BRIGHAM. I do not see how it interferes with anything in the least as it is now.

Mr. MENGES. That is where I differ with the gentleman.

First, it will not and can not do what the proponents of the bill and those who testified before the House and Senate Agricultural Committees represent it will, namely: Enable the consumer to purchase canned fruits and vegetables more intelligently. It will fail in this respect because the bill provides for the establishment of but one standard by the Secretary of Agriculture, and everything which falls below this standard shall be designed on the label as falling below the standard. Through this standard it is hoped to brand low-quality foods in the eyes of the public so as to limit their consumption and thereby force a reduction in the amount produced. But quite obviously the proponents of the bill do not expect that the standard that would be established would be any higher than the line that now marks the bottom of the commercially accepted standard grade. If the standard should be set at that point, then very obviously this bill will accomplish little, for not more than between 5 or 10 per cent of the present pack of canned fruits and vegetables now fall below this line. What happens with the other 90 to 95 per cent of the pack? This bill does not attempt to reach it. Yet within that 90 or 95 per cent there is just as much room and more for deceiving the public. Take tomatoes as an illustration to see how far this bill will really help the consumer. Approximately 20,000,000 cases of No. 2 cans of tomatoes are packed annually.

If 5 per cent of this amount would fall below the to be established standard, that would mean only 1,000,000 cases would be labeled. What about the other 19,000,000 cases? They go unlabeled. And yet in these 19,000,000 cases you will find plenty of tomatoes that just barely pass above the line but which will reach the consumer under fancy labels representing the product to be fancy, and at fancy prices. How, then, is the consumer—the housewife—enabled by this bill to buy more intelligently?

Second. This bill is just a make-believe. Framed to make Congressmen and Senators believe a certain result will follow when the very wording of the bill precludes such a result.

Third. If the proponents of this bill want to help the consumer to buy intelligently, why do they not provide for a complete system of standardization? Before the Agricultural Committees they have referred to work that has been done by the Department of Agriculture in standardizing raw fruits and vegetables and the benefits that have resulted therefrom. Very well, but that work is based upon a standardizing of the entire crop and not 5 or 10 per cent of it.

Fourth. This bill attempts to amend the Federal food and drugs act. That law is a mandatory and a criminal statute. The intent of that statute is to protect the public against poisonous, filthy, decomposed, and putrid matter and against the addition of deleterious ingredients. It has been admitted before the committees that the canned fruits and vegetables against which this bill is aimed are wholesome and do not fall in any sense under any of the classifications against which the food and drugs act is directed. This bill aims to create a standard—it is an entry into the field of standardization. If standardization of canned fruits and vegetables is what is wanted, then why not provide for a complete system of standardization and not a one-twentieth way measure? And if standardization has proved so beneficial in the raw fruit and vegetable field, why not make provision for standardizing of the canned fruits and vegetables in exactly the same manner that provision has been made for the raw product? That is done through the annual appropriation bill for the Department of Agriculture.

No one will question the benefits this service has conferred upon the fresh fruit and vegetable industry from the producer down to the final retailer and consumer. It has expedited and simplified commercial transactions. It has given the farmer and all handlers common standards or grades. It has laid the foundation for establishing a nation-wide market news service, thus enabling the farmer to know what his product ought to bring in different markets. It has also made a basis for the settlement of disputes. In fact, it has eliminated and reduced to a minimum the number of disputes, for the certificates which are issued by the Government become prima facie evidence as to the grade and condition of the product in all courts.

The need for common and official standards and an inspection service is just as pressing now in the canned-foods field as it was 15 years ago in the field of fresh fruits and vegetables. There are no common standards in the canned fruit and vegetable field. What one canner or broker or retailer may call a fancy product and ultimately sell as such to the consumer may not be a fancy or No. 1 product at all, but may be the lowest recognized quality, and not at all infrequently it is substandard. There are many cannerymen who want to pack and who do pack a good product. They want to give the consumer his money's

worth. There are hundreds of small cannerymen throughout the country who are rendering a distinct service to hundreds of agricultural sections. They enable the farmers in those sections to diversify.

By adopting this amendment it will be possible to give the canner what the fresh fruit and vegetable industry, the hay industry, the tobacco industry, the cotton industry, the butter and egg and poultry industry, and other industries now enjoy. You will help many farmers financially and at the same time help just that much in holding down our unwieldy surpluses in staple crops. You will help cannerymen to protect themselves and you will make it possible for the housewife ultimately to buy her canned foods on the basis of Government standards and not like buying a pig in a poke.

I am not speaking for Pennsylvania cannerymen alone; other States are engaged more heavily in canning than Pennsylvania. I know what is happening to our Pennsylvania cannerymen is happening to your cannerymen in Maryland, Delaware, New Jersey, New York, Maine, Ohio, Indiana, Illinois, Wisconsin, Virginia, Tennessee, Michigan, Minnesota, Iowa, Nebraska, Kentucky, Missouri, Arkansas, Georgia, Mississippi, Colorado, Utah, Oregon, Washington, and California; in fact, in every State where fruits and vegetables are canned. Here is an opportunity to put an end to this kind of business.

Mr. ADKINS. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER. Does the gentleman from Iowa [Mr. HAUGEN] yield to the gentleman from Illinois?

Mr. HAUGEN. I understand there is a point of order pending.

The SPEAKER. There is no point of order pending.

Mr. CHINDBLOM. Mr. Speaker, I reserved a point of order, and I now make it.

I wish to call the attention of the Speaker to the language in the proposed amendment to section 8 of the pure food and drugs act.

On page 2 of the pending bill, immediately preceding the sentence to which the amendment of the gentleman from Pennsylvania [Mr. MENGES] is offered, I read the following, beginning on line 7:

For the purposes of this paragraph the words canned food mean all food which is in hermetically sealed containers and is sterilized by heat, except meat and meat food products, which are subject to the provisions of the meat inspection act of March 4, 1907 (34 Stat. 1260), as amended, and except canned milk.

Then, I call the attention of the Chair to the following words, which follow immediately:

The word class means and is limited to a generic product for which a standard is to be established, and does not mean a grade, variety, or species of a generic product. The Secretary of Agriculture is authorized to determine, establish, and promulgate, from time to time, a reasonable standard of quality, condition, and/or fill of container for each class of canned food as will in his judgment promote honesty and fair dealing in the interest of the consumer; and he is authorized to alter or modify such standard from time to time as in his judgment honesty and fair dealing in the interest of the consumer may require.

All of these provisions are limited to class, and the term "class" is specifically defined to be limited to a generic product and does not include a grade, variety, or species of a generic product. The amendment offered by the gentleman from Pennsylvania [Mr. MENGES] is not limited to class. It includes grades, varieties, and species of classes; that is, of generic products; for the amendment offered by the gentleman reads as follows:

Provided, That the standards of quality and condition for any canned foods which have been, or which in the future may be, established by or under authority of any other act of Congress shall be, and are hereby, adopted for the purpose of this act as the official standards of the United States for canned foods.

This amendment brings in every other act which has been passed by Congress relative to canned foods, aside from the pure food and drugs act, which alone is amended by the pending bill, and it is not limited in its operation to the class in a generic sense but may be applied to grades, varieties, and species of generic products. Therefore, it goes beyond the purposes of the bill as reported by the committee, and, it seems to me, is subject to the objection which I am making.

The SPEAKER. The gentleman from Illinois [Mr. CHINDBLOM] has made an argument which impresses the Chair in regard to the definition of class, but the Chair does not see where the word "class" is mentioned before.

Mr. CHINDBLOM. It is mentioned in the sentence beginning on page 2, line 7 of the bill, and the definition comes

farther down, in line 12—"the word 'class' means and is limited to a generic product for which a standard is to be established, and does not mean a grade, variety, or species of a generic product." That is the definition for the purposes of this bill. In fact, it is the definition for the purposes of the entire pure food and drugs act.

The SPEAKER. As the Chair understands, the gentleman from Illinois [Mr. CHINDBLOM] founds his point of order on the ground that the class is defined in this act and that the amendment of the gentleman from Pennsylvania [Mr. MENGES] goes beyond the class as defined in the bill?

Mr. CHINDBLOM. Yes, sir; that is correct, Mr. Speaker.

The SPEAKER. The Chair rather thinks that it does, and sustains the point of order.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Upon motion by Mr. PURNELL, a motion to reconsider was laid on the table.

#### PROMOTE THE AGRICULTURE OF THE UNITED STATES

Mr. HAUGEN. Mr. Speaker, I call up the bill H. R. 2152, to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes.

Mr. TILSON. Mr. Speaker, I hope the gentleman from Iowa [Mr. HAUGEN] will not call up that bill until next Calendar Wednesday.

Mr. HAUGEN. Is that agreeable to the gentleman from Michigan [Mr. KETCHAM]?

Mr. KETCHAM. I would say that while I am loath to have the bill go over, yet, to meet the wishes of the gentleman from Connecticut [Mr. TILSON] I would be very willing to accede to his request, if it is understood that it will be the first bill called up when the committee has its next Calendar Wednesday.

Mr. TILSON. The gentleman will have the right to call it up first.

Mr. JONES of Texas. Mr. Speaker, are we assured of another Calendar Wednesday? I think this is the most important bill the committee has reported.

Mr. TILSON. I think there is no question about having another Calendar Wednesday. I am quite sure that there is no question about it.

Mr. CANNON. Mr. Speaker, will the gentleman yield for a question? There seems to be a general demand for this legislation.

Mr. TILSON. But there seems to be some little difference of opinion in regard to it.

Mr. CANNON. The bill has the indorsement of the Federal Farm Board. It has been officially approved by the last three Secretaries of Agriculture. President Hoover, during his service as Secretary of Commerce, strongly urged its enactment. It has the unqualified support of every farm organization in America. It was passed in this form by the House in a former Congress by a practically unanimous vote. It is an essential part of the program for farm relief and apparently there is no opposition to the bill on the part of agricultural interests from any quarter. In view of the situation the request for delay is doubtless prompted by weighty considerations, and I wonder if the gentleman from Connecticut [Mr. TILSON] is in position to give some intimation as to the reasons which render it advisable to postpone consideration at this time?

Mr. TILSON. Because there seems to be some little doubt as to just what this bill provides, and whether it conflicts with some of the other activities of the Government. I wish the gentleman would let it go over another week.

Mr. CANNON. It is the general understanding that the Committee on Agriculture reported out the bill and recommended its passage without division and that the committee is unanimous in directing the chairman of the committee to call it up for consideration this afternoon.

Mr. TILSON. Oh, yes; I so understand.

Mr. CANNON. And we are assured that if postponed it will be brought up one week from to-day?

Mr. TILSON. The gentleman's committee has the right to bring it up on that day.

Mr. JONES of Texas. Is it the intention of the chairman of the committee to bring this bill up first on next Calendar Wednesday?

Mr. HAUGEN. I am calling up the bills according to the instructions given by the committee.

Mr. TILSON. It rests with the gentleman from Iowa [Mr. HAUGEN] entirely.

Mr. HAUGEN. It will rest with the gentleman from Michigan [Mr. KETCHAM], whenever he wishes to bring it up.

Mr. KETCHAM. It will be brought up first, then, on next Calendar Wednesday.

Mr. CANNON. We are glad to have that assurance.

The SPEAKER. Does the gentleman from Iowa [Mr. HAUGEN] withdraw his request for the present consideration of the bill H. R. 2152?

Mr. HAUGEN. Yes, Mr. Speaker; I withdraw that request.

Mr. Speaker, I call up the bill, H. R. 10877, authorizing appropriations to be expended under the provisions of sections 4 to 14 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended.

#### PROTECTION OF THE WATERSHED OF NAVIGABLE STREAMS

The SPEAKER. The gentleman from Iowa [Mr. HAUGEN] calls up the bill H. R. 10877, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10877, with Mr. HOCH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10877, which the Clerk will report.

Mr. CLARKE of New York. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

The bill is as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any money in the United States Treasury not otherwise appropriated, to be expended under the provisions of sections 4 to 14 of the act of March 1, 1911 (U. S. C., title 16, secs. 513-521), as amended by the acts of March 4, 1913 (U. S. C., title 16, sec. 518), June 30, 1914 (U. S. C., title 16, sec. 500), and June 7, 1924 (U. S. C., title 16, sec. 570), not to exceed \$3,000,000 for the fiscal year beginning July 1, 1931, and not to exceed \$3,000,000 for the fiscal year beginning July 1, 1932.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from New York [Mr. CLARKE]. [Applause.]

Mr. CLARKE of New York. Mr. Chairman, ladies and gentlemen of the committee, the purpose of this bill is to extend the purchasing program entered into by the Federal Government of lands that not only reach into the upper reaches and protect the watersheds of navigable streams but down into the lower parts, where it has been shown it is necessary as well to have a purchase program. This purchase program in its larger aspects takes in 32 particular units in regions northeast, south, west, and east of the Great Plains. The present authorization expires with the end of the present fiscal year.

This bill simply authorizes the expenditure of \$3,000,000 per year for two years in this land-purchase program. We had hoped we could have a 10-year purchase program, and the National Forest Conservation Commission recommended such a program, that commission being composed of 3 members of the Cabinet, 2 Senators, and 2 outstanding Representatives of this House. But the Bureau of the Budget has felt we would have to hold ourselves down a little, so we have fallen into the spirit of that suggestion, and we now urge the Congress of the United States to go forward with this 2-year purchase program. That is all there is to the bill.

Mr. KINCHELOE. Will the gentleman yield?

Mr. CLARKE of New York. Yes.

Mr. KINCHELOE. This is really an extension of what is called the Weeks Act.

Mr. CLARKE of New York. The Weeks Act and the Clarke-McNary Act.

Mr. KINCHELOE. Does the gentleman know of any laws on the statute books of the United States to-day that are of greater use in conservation than these acts?

Mr. CLARKE of New York. They are outstanding acts, and the gentleman from Kentucky was one of the outstanding men in helping to get those bills through the House.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CLARKE of New York. Yes.



Mr. COCHRAN of Missouri. Have the areas to be purchased with this money been selected or are they to be selected in the future?

Mr. CLARKE of New York. Thirty-two have been selected and I will put in my remarks a description of the further areas in the enlarged picture of the bill itself.

Mr. COCHRAN of Missouri. The reason I ask the question is that the Secretary of Agriculture advised me that two areas in the State of Missouri, one bordering the St. Francis and the other the Current River, of 200,000 acres each, would be recommended to the commission.

Mr. CLARKE of New York. They are included in the units right now.

Mr. COCHRAN of Missouri. Provided the Legislature of Missouri takes the proper action necessary under the Weeks law, and it is hoped our legislature will take that action next January, and if it does, the State of Missouri will have the opportunity of getting in under this bill?

Mr. CLARKE of New York. It would.

Mr. COLTON. Will the gentleman yield?

Mr. CLARKE of New York. Yes.

Mr. COLTON. I know the gentleman is a great authority on reforestation.

Mr. CLARKE of New York. I thank the gentleman for the compliment.

Mr. COLTON. In my State we have a movement, particularly among the ladies' clubs, looking to the planting of trees, not on lands, perhaps, that come strictly under this law but on lands that will do a great deal of good in the way of conservation and the protection of watersheds, but we have had trouble in getting the trees. Can the gentleman tell me whether there has been any provision made for the raising of trees or of any place where the ladies' clubs can get trees with which to do their planting?

Mr. CLARKE of New York. Under the original Clarke-McNary Act there was a provision included for the establishment of small nurseries, but that has not been enlarged and there has been no active cooperation, because some of the States themselves have had their own nurseries. Take the State of New York. This spring we are distributing over 20,000,000 trees, and in the fall there will be another distribution of some 5,000,000 or 6,000,000 trees. Those trees are taken from our own State nurseries and distributed to clubs such as the gentleman mentions and they are furnished to them at a cost of \$1, \$2, \$3, or \$4 a thousand. However, I do not believe the Federal Government should get into that phase of the conservation movement.

Mr. COLTON. Then there is probably no source from which these trees can be obtained unless a State itself goes into that work?

Mr. CLARKE of New York. State and private nurseries; yes.

Mr. KNUTSON. Will the gentleman yield?

Mr. CLARKE of New York. I yield to the distinguished son of Minnesota.

Mr. KNUTSON. The gentleman has given a great deal of time and effort to reforestation work, and I would like to have him explain to the committee just how much we can hope to do under the appropriations authorized in this measure in the way of reforestation work, and where it is contemplated to do the most of it.

Mr. CLARKE of New York. I will set out specifically in the extension of my remarks the particular work we intend to do. There are 32 established units in 17 States. Some of these units are in the State of Minnesota and in the Great Lakes region; 2 of them are in the New England country, 2 in the Ozark plateau, and 5 in the southern plateau. I think there are 10 units all together in and around the Great Lakes region.

Mr. KNUTSON. Does this legislation supplement the so-called Clarke-McNary Act?

Mr. CLARKE of New York. It does.

Mr. KNUTSON. What is the acreage in the country that has been denuded and should be reforested? Has the gentleman any figures on such lands that are peculiarly adapted to forestry?

Mr. CLARKE of New York. According to a survey made some three or four years ago there are practically 81,000,000 acres in the United States that ought to be reforested. In my own State of New York there are approximately 5,000,000 acres that ought to be reforested. These are just small steps we are taking in what ought to be an enlarged program.

You may take, for instance, the flood-control problem that is so menacing. Any man who knows anything about the control of the floods of the Mississippi Valley knows that at least 40 to

60 per cent of the volume of stuff that goes down the Mississippi is the soil. Now, why is it going down there? Because our great plains are not growing trees. And what effect have the trees on it? First, there are the root systems that prevent erosion and prevent this soil from getting into the flow of these floods; and more than this, the setting out of trees in the watersheds of these great streams means that you delay the melting of the snow, and if you delay the melting of the snow a week or 10 days you take off the crest of the wave which creates the damage and loss of life in these floods. Trees also slow up the "run off" of the rains, and so forth.

Mr. KNUTSON. Does not the gentleman think that the several States should supplement this work, and would it not be possible for the Federal Government to match money with the States as we do in road building?

Mr. CLARKE of New York. That is exactly the theory of the Clarke-McNary bill. When the States show a willingness to cooperate with the Federal Government, the Federal Government seeks to match appropriations with them and furnishes leadership and furnishes information with respect to taxation methods and various other matters. To-day one of the greatest black marks we have in the conservation movement is the attitude of the State legislatures in taxing the people that show a desire to set out trees. Along will come some unsympathetic assessor who notices that some one has taken an unadorned hundred acres of land and set it out with trees. He says that it is more valuable and proceeds to tax it. The enterprise and the public spirit of the man who sets out the trees is taxed, and then he says, "What's the use."

Mr. KNUTSON. I thank the gentleman for his very able explanation.

Mr. ANDRESEN. Will the gentleman yield?

Mr. CLARKE of New York. I yield.

Mr. ANDRESEN. I would like to say to my colleague from Minnesota that there is probably no man in the United States who has given more study to the conservation problem with respect to our forestry resources than the gentleman from New York.

Mr. CLARKE of New York. I thank the gentleman.

Mr. ANDRESEN. The gentleman has had broad vision. He has soared over the entire country, as the bald eagle would soar over the wide spaces, and has not confined his activities to any one particular locality. Therefore we are glad to follow his program.

Mr. CLARKE of New York. I thank the gentleman from Minnesota.

Mr. COLE. Will the gentleman yield?

Mr. CLARKE of New York. I yield.

Mr. COLE. I am very glad to hear we have with us a most eminent authority on conservation, the gentleman from New York.

Mr. CLARKE of New York. I thank you, sir.

Mr. COLE. I would like to ask a question of such a great authority. Have we in reforestation ever succeeded in growing timber from which we could cut saw logs?

Mr. CLARKE of New York. I can give the gentleman an example even now in the State of New York. Twenty-six or twenty-seven years ago a large estate in an adjoining county began a program of reforestation and in the last four years in a thinning process, because their trees were planted too thick originally, they have sold off in trees more than the original cost in trees, labor, and taxes. This was timber that could be used for poles and posts and things like that.

Mr. COLE. And for saw lumber?

Mr. CLARKE of New York. Not saw lumber; no.

Mr. COLE. Can the gentleman cite such an instance?

Mr. CLARKE of New York. No; because the reforestation program has not been established long enough. But here is what the history of the Old World demonstrates. Under forest management, countries like Switzerland, Germany, and the Scandinavian countries are having returned to them to-day through forest management \$5 per acre per year on the average, which is looked upon as a harvest growth of timber.

Mr. COLE. The reason I am submitting these questions to this eminent authority is because the statement was made to me recently that there is no instance in the United States where reforestation had resulted in producing a crop of lumber from which saw logs could be cut.

Mr. CLARKE of New York. That is because the policy has not been established long enough.

Mr. ARENTZ. If the gentleman will pardon me, it has been established long enough. If you will ride on the Union Pacific or any of the other railroads passing through that area where settlers had the right to make a timber claim, you will notice

that adjoining the house or adjoining the farm lot sometimes as much as 20 acres of trees that were planted in the seventies and eighties. To-day they are saw-log trees. I think this is a visual demonstration of what can be accomplished on a large scale by showing what has actually been done on a small scale.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. CLARKE of New York. Yes.

Mr. O'CONNOR of New York. I was interested in the figures of 81,000,000 acres having been denuded. Are there any figures as to the proportion that was denuded by the cutting down of trees and that which was destroyed by fire?

Mr. CLARKE of New York. We have in the hearings an approximation of that, but I have not those figures in mind.

Mr. O'CONNOR of New York. What I have in mind, as the gentleman probably divines, is right now in our own State of New York we are losing during these days thousands of acres of timber by fire, which is one of the serious problems involved in such conservation.

Mr. CLARKE of New York. But we had in the State of New York one of the finest and most outstanding men as a leader in the forestry movement. Clifford Pettus was the second graduated forester in the United States. To-day he is really the father of the two great parks we have there, the Adirondacks and the Catskill Parks, that comprise, in their total area, probably three or four million acres. Alexander McDonald, the conservation commissioner, is also a fine, outstanding man in this work. These men have had the cooperation of the legislature and the governor; and I will say for Governor Smith that he maintained Aleck McDonald in office as conservation commissioner, although he is an outstanding Republican, because of his recognized work in this field.

Mr. O'CONNOR of New York. And the present governor has likewise done it.

Mr. CLARKE of New York. Yes.

Mr. BRIGHAM. Will the gentleman yield?

Mr. CLARKE of New York. I yield.

Mr. BRIGHAM. The gentleman is familiar with the proposal frequently made that the Government should buy sub-marginal land, not suitable for cultivation or which could only be cultivated at a loss, and reforest those lands. Will the gentleman give us his opinion as to the feasibility of a program of that kind as contributing to the solution of the problem of reducing the surplus of farm products, which are now resulting in unprofitable prices?

Mr. CLARKE of New York. Economically there is no question about that in my humble judgment. It is just growing a crop like any other crop—wheat or rye.

Mr. ARENTZ. If the local authorities would not levy tax assessments on it.

Mr. CLARKE of New York. One of the great difficulties with this program has been the unsympathetic attitude of the tax authorities, whether local or State. Under the Clarke-McNary Act we have had a complete study made, and while the Government has no jurisdiction it has made recommendations for sounder tax laws in relation to the planting of trees.

Mr. BRIGHAM. One further question: In the State of New York is it customary for banks in making appraisals of farms for loans to take into account the stumpage value of the timber?

Mr. CLARKE of New York. Within the last three or four years it has been, because the head of the Federal bank at Springfield, Mr. Thompson, was the pioneer of that movement and hoped to bring that about. We have had people come up from the hard-coal regions to take off the last stand of the little hardwood for timber for mines.

Mr. BRIGHAM. The Federal farm loan act does not permit the Federal farm loan banks, including the one at Springfield, Mass., of which Mr. Thompson is the able president, to take into account the stumpage value of the timber. Does not the gentleman think that the Federal farm loan act ought to be amended in that particular?

Mr. CLARKE of New York. I would want to ponder on that, but, offhand, I would think so.

Mr. LEAVITT. Will the gentleman yield?

Mr. CLARKE of New York. I yield.

Mr. LEAVITT. I consider this one of the most important bills before Congress. I am interested in the gentleman's statement regarding the reason why only a 2-year program is provided for in this authorization. It occurs to me that it may be necessary because of the Budget situation; but, looking into the future, it must also be realized that this appropriation will not be large enough, and the program will have to be extended as years go by.

Mr. CLARKE of New York. There is no question about it.

Mr. Chairman, I yield back the balance of my time, and I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Without objection, it is so ordered.

(The following is the extension of the remarks of Mr. CLARKE of New York:)

Mr. CLARKE of New York. Mr. Chairman, God Almighty made our land rich in forests—rich above any other land. In area our original forests exceeded 800,000,000 acres; in volume of saw timber, 5,000,000,000,000 board feet. In the eastern half of the country they covered approximately 675,000,000 acres with 3,400,000,000,000 board feet of saw timber.

From the earliest days of settlement forests have been indispensable to our economic life. The colonists not only drew upon them for their buildings, their fuel, and the material for fashioning the most varied articles of everyday use; they derived from them a large part of the products that sustained their foreign trade. The first cargo sent back from Jamestown, in 1608, included pitch, tar, soap ashes, wainscoting, and clapboards; the first from Plymouth, in 1621, was made up of clapboards and beaver skins. Ships, masts and spars, staves, lumber, naval stores, pearlash and potash, and furs constituted important items of commerce throughout the eighteenth century.

But the forests also stood in the settler's way. To conquer the continent for civilization it was necessary to drive back the forest; to open room for the plow. And so began the long story of antagonism and destruction.

Our eastern forest area has, it is true, not quite been cut in half; for, despite three centuries of abuse, neglect, and wasteful exploitation, the tree cover has clung stubbornly to the land not wrested from it by the plow. But from its remaining 350,000,000 acres has been mined or burned nearly all the original forest wealth, through destructive lumbering and the hand of indifference or hostility. Although remedial measures are being resorted to in limited regions, each year sees the process of depletion carried further. We are still abusing and devastating; still converting what might be productive land for all time into virtually idle waste. This physical and economic tragedy of forest neglect and forest abuse touches our life upon every hand.

The need of an adequate national policy of forestry has long been recognized; but progress in its attainment has been slow and halting. The reservation of the western public-domain timberlands began, after years of agitation, nearly 40 years since. In 1911 the Weeks Act inaugurated the purchase by the Federal Government of eastern forest lands at the headwaters of our principal rivers.

Deforestation of the mountains menaced navigation, therefore commerce; impaired beauty; laid waste the haunts of wild life, the paradise of hunters and recreation seekers; needlessly curtailed the supplies of timber for the use of industry; diminished power resources; placed on washing hillsides temporary and unprofitable farms, that add to our agricultural problem.

Before these fields were shorn and tilled  
Full to the brims our rivers flowed,  
The melody of waters filled  
The fresh and boundless wood,  
And torrents dashed and rivulets played,  
And fountains spouted in the shade.

For 13 years the Weeks law alone governed the Federal acquisition policy. At the outset it was an experimental venture into a new field, entered upon by Congress with hesitancy and misgivings. To what extent its continuance would be sanctioned was for a time uncertain. With various ups and downs, however, the work went on. It was handicapped by inability to plan ahead with greater certainty and by the necessity to adjust its organization to fluctuating supplies of funds; but at the close of the fiscal year 1924 the area acquired under the Weeks law totaled 2,123,000 acres, of which the cost had been slightly less than \$10,889,000. The purchased lands lay within 19 so-called purchase areas in 11 Eastern States, from Maine to Georgia, and in Arkansas. The purchase program under the Weeks law was confined to the acquisition of mountain lands at the headwaters of navigable streams, and its ultimate goal had been fixed at a total of 1,000,000 acres in the White Mountains of northern New England and 5,000,000 acres in the southern Appalachian region.

But in 1924, following an extensive inquiry into the whole forestry situation and needs, a new policy was established by Congress through enactment of the Clarke-McNary Act. Its objectives were comprehensive and designed to bring about a solution of the national problem of forestry in as large a degree as possible by public aid and encouragement to private timber growing. This was sought through provisions for greatly enlarged cooperative activities of the Federal Government and the States in fire protection, aid to forest planting, and other measures promotive of private forest management. But the law



recognized also the need for a broader policy of Federal acquisition and administration of forest lands in the East.

Private forestry needs the help of public example, to demonstrate sound practices. There is need, too, of public ownership to make productive forest areas that will not, under present conditions, attract private forestry. The forest problem of the country can not be solved solely through private forestry. It is too big and too urgent. It is of deepest national concern.

The National Forest Reservation Commission has studied the problem, with a view to applying to it most effectively the policy of acquisition enacted by Congress in the Clarke-McNary law. That law removed the limitation which under the Weeks law confined purchases to lands on the headwaters of navigable streams and necessary to regulate their flow. The National Forest Reservation Commission is composed of three members of the Cabinet, two Senators, and two Congressmen. It has formulated a program. The execution of that program, of course, is contingent upon the approval of Congress through appropriations to enable the purchases called for under the program to be made. The purpose of the program, it should be remembered, is to carry out the policy already laid down by Congress in the Weeks law.

The proposed program, in substance, contemplates four general proposals. The first is to consolidate Federal ownership within the 16 purchase units, in 12 States, hitherto established under the Weeks law primarily to protect navigable streams. Roughly, this will involve the further purchase of 4,000,000 acres of land. The second is to further extend the protection of the headwaters of navigable streams by the establishment of five additional purchase areas, in three States, primarily for watershed protection; this involving the eventual purchase of an additional 1,100,000 acres of land. So much for watershed protection as a major or dominant purpose of the program.

The Clarke-McNary Act of June 7, 1924, however, gave this Federal movement a new purpose and a broader field, by prescribing timber production as a major objective, still limiting the purchases to the watersheds of navigable streams, but removing the requirement that they be confined to the headwaters and definitely related to the maintenance of navigability. Since its enactment 13 additional purchase units have been established in the lake States and southern pine regions. Many of these contain lands reserved from the public domain, in addition to which the purchase of 500,000 acres already has been authorized by the National Forest Reservation Commission.

The third step, therefore, is to complete the consolidation of these approved units by the further purchase of approximately 1,500,000 acres of land. But there is need for still further units, some 22 or so, in 10 States, containing about 3,000,000 acres, consequently the fourth step is the eventual acquisition of so much as may be necessary of that acreage, the most, or probably all of it. This, in brief, is the program.

The National Forest Reservation Commission has indicated the need for authorization of a purchase program that can be prosecuted in an orderly manner as a definitely approved plan. It has recommended authorization of a rate of purchase that will complete the program in 10 years through an outlay of \$5,000,000 annually. The Director of the Budget has recognized the desirability of authorization of an orderly program covering a period of years, subject, however, to the condition that the program is subject to readjustment should a future financial situation of the Government make advisable a retrenchment of the expenditures and a slackening of the pace.

A new authorization is a necessity for any continuance of the work beyond the end of the fiscal year, when the present authorization expires. That authorization was given by Congress in 1928. It provided for acquisition appropriations over a 3-year period, beginning in the fiscal year 1929 with \$2,000,000 and increasing to \$3,000,000 for the fiscal years 1930 and 1931.

The high purpose of H. R. 10877, that I introduced in the House of Representatives March 18, 1930, is to provide for the continuance of this important work without retraction from the present rate. It does not authorize the 10-year program that the National Forest Reservation Commission has recommended, nor does it authorize prosecution of that program at the recommended rate. In the soundness of the commission's proposed program and the desirability of providing for its execution I heartily concur; but with the present financial requirements of the Government as they are, and in order to co-operate with the Bureau of the Budget, I have compromised by introducing a bill that authorizes only continuance of the work at the present rate of \$3,000,000 a year for two years, instead of at the recommended rate of \$5,000,000 a year for 10 years.

This bill has the unanimous support of the great Agricultural Committee. It is your high privilege, as it is mine, to speed it

on its way toward the making of better to-morrows for the children who shall follow us—of a fairer land and a nation more prosperous and secure.

Mr. MICHENER. Mr. Chairman, I would like to ask the chairman of the committee if he is going to call up the bill H. R. 11389?

Mr. HAUGEN. These bills were ordered to be called up by the committee in their order, but a number of gentlemen have asked that that bill go over. That is agreeable to me, to let it go over to-day and call it up next Wednesday.

Mr. ASWELL. Mr. Chairman, there is no objection to this bill, and I have no requests for time. So, I will not use my hour.

Mr. HAUGEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill for amendment.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. MICHENER having assumed the chair as Speaker pro tempore, Mr. HOCH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10877 and had directed him to report the same back to the House with the recommendation that it do pass.

Mr. HAUGEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### TO SUPPRESS UNFAIR PRACTICES IN MARKETING PERISHABLE COMMODITIES

Mr. HAUGEN. Mr. Speaker, I call up the bill S. 108, to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce, which I send to the desk and ask to have read.

The SPEAKER pro tempore. The gentleman from Iowa calls up the bill S. 108. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union, and the gentleman from Montana [Mr. LEAVITT] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 108, with Mr. LEAVITT in the chair.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I now yield to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, ladies and gentlemen, S. 108—the Borah-Summers bill—is to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce. It passed the Senate many months ago. At a little earlier date I introduced H. R. 5663, which was amended very generously by the House Committee on Agriculture, and was then substituted for Senate bill 108.

The bill defines unfair practices on the part of dealers, commission merchants, and brokers in handling perishable agricultural commodities.

Every one familiar with the situation knows that the farmers have suffered from the unscrupulous handlers for ages. Of the many men who handle these fruits and vegetables, the great majority are honorable, upright men, but unfortunately there are some unscrupulous people mixed in all trades and professions, and these take advantage when the market declines, or when there is a long distance intervening between the point of shipment and the point where the goods are received, and insist on discounts before they will accept the goods or make settlement.

The bill declares that it shall be unfair conduct for them to misrepresent the quality of the product, or the market price or conditions or to dump the product and do several other things which no honorable dealer or broker would be supposed to do.

The bill provides that the handlers of perishable farm products shall be licensed by the Secretary of Agriculture, and shall pay a license fee of \$10 a year, which will make the bill self-supporting, so that it will not cost the Federal Treasury any-

thing. This measure will benefit the producers and the consumers and honest dealers.

It undertakes to secure fair dealing all the way between the farmer and the consumer's table. It does not propose to accomplish anything which might not be accomplished under existing law, but it does eliminate the necessity of going into court before a jury at a long distance and at great expense in order to secure an adjustment of a hundred dollars or two or three hundred dollars difference. It is a common custom among the unscrupulous to make claim of from one to three hundred dollars. The Department of Agriculture says the average claim in these unwarranted cases is about \$196.50—not enough to go into court for.

The bill provides that when complaint is made the department may make an investigation and hear both sides of the case. If the dealer, commission merchant, or broker is guilty of unfair conduct as defined in the bill, then his license may be suspended for 10 days and the unfair conduct may be published to the trade. On second or subsequent offenses the suspension may be for 90 days or complete forfeiture in case of gross injustice being done.

The bill has been three times approved by the Secretary of Agriculture, twice by the present Secretary under a little different form, and once by the previous Secretary. It has been studied and approved by 25 or 30 commissioners of agriculture in the different States of the Union. It is approved by the Federal Farm-Bureau Federation and the National Grange. It has been approved by a very large number of individual producers of fruits and vegetables, and by all the reputable handlers so far as I know over the United States.

Mr. PURNELL. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. PURNELL. When the gentleman says the bill has been approved by these various groups, does he mean the bill in its entirety as it applies now to poultry and eggs?

Mr. SUMMERS of Washington. No. I am very glad the gentleman called attention to that. The bill originally covered fruits and vegetables, and did not cover poultry and eggs. The approval of these many different agencies to whom I have referred was of the bill in its original form, covering fruits and vegetables only.

Mr. PURNELL. And in its very essence it is a fruit and vegetable bill, is it not?

Mr. SUMMERS of Washington. That is what it was intended to be when it was introduced on three different occasions, and when it was presented to the Senate, and as I presented it on several occasions to the House and to the Agriculture Committee. The provision covering poultry and eggs is an amendment inserted by the House Committee on Agriculture.

Mr. PURNELL. Of course the gentleman understands that the poultry and egg people have not asked to be included in this, and they have not had an opportunity to be heard, because the gentleman was a regular attendant at all of these hearings and instrumental in bringing about the progress that has been made up to date.

Mr. SUMMERS of Washington. That is correct. My own position was that I did not oppose the inclusion of anything else, but I thought nobody should be included without a hearing, and that the inclusion of too many commodities would overload the administrative bureau.

Mr. WILLIAMSON. If the gentleman will permit, I have received a good many protests from my State, from poultry and egg dealers. They claim that they have had no hearing on this matter and that the bill deals unfairly with them. I have not had an opportunity to study the substitute bill. I did read the gentleman's bill and am familiar with its provisions. How does this affect the poultry and egg dealers?

Mr. PURNELL. If the gentleman will permit, I want to say that at the proper time I shall move to strike that from the bill, and I am glad to know that I shall have the support of the gentleman from South Dakota.

Mr. SUMMERS of Washington. This in a general way covers the bill. As I said, in its original form it has been indorsed East, West, North, and South.

My files show indorsements from practically every State in the Union. Local and Pomona granges, and county and State farm bureaus are strongly urging it.

The President of the United States in his special message to Congress recommended legislation "to provide for licensing of handlers of some perishable products so as to eliminate unfair practices. Every penny of waste between farmer and consumer that we can eliminate, whether it arises from methods of distribution or from hazard or speculation, will be a gain to both farmer and consumer."

Alexander Legge, chairman Federal Farm Board, says:

There appears to be no conflict between the operations proposed under this bill and the work of the Federal Farm Board. The board is working toward the development of cooperative associations for the marketing and distribution of fruits and vegetables and other agricultural products. The bill provides primarily for the regulation of and the suppression of unfair practices, among dealers handling such products in the terminal markets. The elimination of unfair practices should enable cooperative associations handling perishable products to obtain greater returns for their members, and the proposed legislation, therefore, should supplement the work of the Federal Farm Board.

This statement was considered and indorsed at a regular meeting of the board.

The Department of Agriculture made an investigation a few years ago of the cost of these unfair practices to the producers of apples in the State of Washington, and it reached a total of \$812,000 in one year. That loss has to be reflected back to the producer because the handler of the product does not have a separate bank account to provide for such losses. Another year the loss was \$435,000. Another year, \$235,000.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. MILLER. How does this bill affect the unfair practices in connection with the apple crop of our State?

Mr. SUMMERS of Washington. The apple crop of our State is shipped under a Federal shipping point inspection certificate, and this law would undertake to have the man who agrees to ship and the man who agrees to buy to carry out the contract they have made. It would be very beneficial to the producers of apples, peaches, pears, cherries, potatoes, grapes, citrus fruits, lettuce, beans, cabbage, berries, melons, and all other perishable products. There are more than a million fruit and truck growers in the United States.

Mr. BRIGHAM. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. BRIGHAM. The gentleman referred to contracts of purchase.

Mr. SUMMERS of Washington. I was speaking in a broad way.

Mr. BRIGHAM. Let us assume a commission man has made a contract with a producer of apples in the gentleman's State for a car of apples of a certain grade at a certain price. Now, during the transit of those apples across the continent several days must elapse, and during that time the market might go down. Is it not the practice of unscrupulous dealers to turn down such a shipment under those circumstances on the ground that it does not come up to the specified grade, and the shipper is compelled to accept some reduction in order to save a greater loss?

Mr. SUMMERS of Washington. Yes; exactly so. I have in mind a 2-car shipment of apples—twice federally inspected and found up to contract, but refused; the case was taken into court, and after three years it has not yet come to trial because a shrewd lawyer in some way secured postponement. The loss is charged back to the shipper and the farmer. These crooks have been robbing farmers and honest dealers right and left. This legislation is an honest attempt to stop them.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. ANDRESEN. I call the gentleman's attention to paragraph 8 on page 18. My construction of the language would be that the Federal Government would have the right to control intrastate shipments of commerce if the product was ultimately to go into interstate commerce. For instance, a dealer would raise a carload of peas. Suppose they were picked and loaded and delivered to the processing plant within the State, and then they would go into interstate commerce. Does the gentleman think that the Congress should legislate in cases of that kind that are purely intrastate?

Mr. SUMMERS of Washington. This applies to interstate commerce. This measure was given careful and long consideration by the drafting service of the House and of the Senate, and also by the legal adviser of the Department of Agriculture, so that I could only answer in a general way that they have considered the matter and have not put anything in the bill that is not proper to be put there, or anything that would conflict with other established law.

Mr. ANDRESEN. It might be a good and desirable provision in the bill, but as a matter of principle I am opposed to the Government interfering with intrastate transactions.

Mr. SUMMERS of Washington. It is not intended to do that, and in the opinion of those who have examined it I say it does not.



Mr. ANDRESEN. If the product does go into interstate commerce it concerns interstate commerce.

Mr. SUMMERS of Washington. This applies only to those articles going into interstate shipments.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. BURTNESS. Will the gentleman state what is contemplated by this rather technical provision? I must confess I do not fully understand it.

Mr. SUMMERS of Washington. It is a bill referring to interstate commerce, and in many parts of the bill reference is made to interstate commerce.

Mr. BURTNESS. I understand that; but if it attempts to control intrastate commerce by any of its language, to the extent it did that the legislation would simply be void. As I read it, I think I would be inclined at first blush to agree with the construction given by the gentleman from Minnesota [Mr. ANDRESEN], but I know we have had a number of decisions from the Supreme Court of the United States which, in defining interstate commerce, go very far in so far as concerns commerce moving only within one State but where the ultimate intention is to move it eventually into another State.

I was wondering how far this language conforms to the decisions of the Supreme Court, such decisions as we have in connection for instance, with the stockyard legislation and Federal grain grades. Of necessity, the language is technical.

Mr. SUMMERS of Washington. I am glad to say that the drafting service of the House and of the Senate and the attorneys of the Department of Agriculture and other attorneys have given it their careful consideration, and it is their opinion that it applies to interstate and foreign commerce, and not to intrastate commerce.

Mr. ANDRESEN. I will say this to the gentleman from North Dakota, that the intention is to provide so that the Federal Government will have control over interstate shipments when the processed product ultimately goes into interstate and foreign commerce.

Mr. BURTNESS. Then that may raise a constitutional question.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. HOPE. Is it not a fact that this paragraph is the usual provision in all of our laws on such subjects? I am quite sure that this bill is drawn in accordance with other acts on the same subject.

Mr. ANDRESEN. I think the gentleman is correct, and if the producer and retail merchant were not exempted under the provisions of this bill I would move to strike this paragraph from the bill.

Mr. HAUGEN. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Louisiana [Mr. ASWELL] is recognized for one hour.

Mr. ASWELL. Mr. Chairman and members of the committee, this is the worst bill that has come before the Committee on Agriculture during this session. It is the most indefensible and undesirable, in my opinion. The bill to follow it is a little worse, but that has not come up yet.

This bill has two specific purposes. One is to eliminate competition among commission men. That is the primary purpose. The other is to make the Government a collection agency, to interfere with the operations of the Federal Farm Board.

The commission men of the country were on record before our committee in opposition to this measure for years. The farm marketing act was enacted, as you know. Clearing-house provisions were provided in the farm marketing act and the Farm Board was ready to start. There was a great gathering in Detroit about January 18 of this year. They had the gentleman from Washington [Mr. SUMMERS] there and gave him a great ovation. During this ovation, in this annual national convention of the commission men of America, they had a conversion equal to that of Saul of Tarsus. They said among themselves "that the clearing-house provisions of the Farm Board will likely create an instrumentality that will interfere with our business; so, let us take up this so-called Summers bill and get the Government to do our collecting, and at least 60 per cent of the men who buy and sell fruits and vegetables will never join the cooperatives and never join the Farm Board."

Mr. CLARKE of New York. Will the gentleman yield?

Mr. ASWELL. I yield.

Mr. CLARKE of New York. If you go along with the Summers bill, is there any reason in principle why every industrial activity, every agricultural activity, every other financial activity, has not the right to expect the same treatment from the Federal Government?

Mr. ASWELL. They will have that right.

Mr. CLARKE of New York. And therefore we establish a national collection agency for every branch of industry in the world?

Mr. ASWELL. There is no reason why we should not if we pass this bill. There is no reason why poultry and eggs should not be included in this bill. There is no reason why muskrats in my State should not be included in this bill, because when the producers ship them they do not always collect for them. There is no reason why every farm commodity should not be included in this bill. Yet these commission men had a conversion at Detroit, and they started a campaign that has stampeded the Members of the Congress in some cases, and has made them afraid. It is not a bill that proposes to increase the price of fruits and vegetables one penny to the producer; not one penny. There is no proposition to do that. This is a bill directly created, stimulated, and supported and ruled by the commission men of America, and the poor fruit and vegetable grower is to be put into the hands of this organization so that they can not compete. It lets the commission men have a free hand among themselves.

Mr. ABERNETHY. Will the gentleman yield?

Mr. ASWELL. I yield.

Mr. ABERNETHY. Does the gentleman not think we need something to curb the commission men that do not treat the producers fairly? Do you not think we should have something to protect them? That seems to be the idea in our country. I usually follow the gentleman—

Mr. ASWELL. I will answer the gentleman if the gentleman will not make a speech.

Mr. ABERNETHY. I am not making a speech.

Mr. ASWELL. I can answer that. I say "yes," emphatically. The gentleman is right. But we have labored in this Congress for eight long years to get something in the nature of farm relief legislation that would be at least partially effective. It is now on the statute books, and the act provides a clearing house, an ample provision for the Farm Board to take charge and do what the gentleman is talking about, and familiarize the producers everywhere with the merchants who are doing the buying. This bill steps in and takes the place of the Farm Board, and encourages 60 per cent of the vegetable producers in America to stay out of the cooperatives, and therefore out of the Farm Board.

Mr. ANDRESEN. Will the gentleman yield?

Mr. ASWELL. I yield.

Mr. ANDRESEN. Could the dealers become members of the cooperatives? The gentleman said this bill will keep the dealers from going into the cooperatives.

Mr. ASWELL. I intended to say it would keep the producers out.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. ASWELL. I yield.

Mr. CLARKE of New York. Therefore, it would be one of the greatest blows at the cooperative movement that we could possibly have?

Mr. ASWELL. Without doubt it will, and allow me to explain further that in the farm marketing act there is a provision for educational purposes. There is money appropriated liberally to induce the farmers to come back into the cooperatives. This bill that is now before this body provides that the cooperative shall pay a license of \$10 a year. Do you believe you will get many cooperatives who come in under the new law, abide by these regulations, pay a \$10 license fee, subjecting themselves to having the license taken away and destroyed, and still join the cooperatives? This is a thrust at the cooperative movement of America.

I know what some gentleman is going to say, and I want to speak of it first. The gentleman from Washington [Mr. SUMMERS] had a letter sent to Chairman Legge, of the Farm Board, asking him something about this bill, when it was first introduced at this session, several months ago. The bill has been now amended until it would not know itself if it met it in the road. The farm cooperatives were not touched then. The letter went to a subordinate in the Farm Board. It had no Farm Board action. A subordinate wrote a letter and brought it to Mr. Legge, saying he did not think this bill would do any harm, and Chairman Legge signed it. That is the letter on which they are basing everything here.

Now, this is the proposition that is clearly set forth, and I speak with authority when I say what I have said about Chairman Legge. It was simply a letter written by a subordinate, and Mr. Legge signed.

Now, if this Congress wishes to embark upon a policy of this kind—to have this Government become a collection agency and chase down every crook in America—you should do it with every other commodity. It is a bad precedent that you are trying to

establish. It is a dangerous movement. In my humble opinion, it should be stricken from the records, and the enacting clause should be stricken out.

Mr. ABERNETHY. Will the gentleman yield?

Mr. ASWELL. I yield.

Mr. ABERNETHY. I understand the Secretary of Agriculture, who is a member of the Farm Board, has unqualifiedly indorsed the bill. What is the gentleman's answer to that?

Mr. ASWELL. I will answer the gentleman. I have great respect for the Secretary of Agriculture. I like him personally. He is a charming gentleman. But the Department of Agriculture—or any other department of the Government, for that matter—will support and indorse any measure if it has one of three things in it: First, if it provides more money for that department they will be for it. If it provides more jobs in the department they will be for it. If it provides more authority for the department they will be for it. Those three things are all in this bill—and, of course, the Department of Agriculture is for it.

Mr. ROMJUE. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. ROMJUE. I will ask the gentleman if the bill as written does not empower the department to put commission merchants out of business if it desires to do so?

Mr. ASWELL. Yes.

Mr. ROMJUE. It seems to me to be a very vicious piece of legislation.

Mr. Chairman, I reserve the balance of my time and yield five minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I am supporting this bill with fear and trembling, not that we do not need legislation to take care of certain fraudulent trade practices on the part of commission merchants and dealers in handling perishable fruits and vegetables, but because of the hearty support given this bill by dealer associations. Of course the proponents of this bill, as well as dealer associations, have much to say about crooked dealers and the benefits that will be carried back to the producers of these commodities under the bill.

I have witnessed the passage of so many bills that were sponsored for farmers and in the interest of the public that turned out under the administration of the law to be in the interest of everybody else except the farmers and the public. This bill is indorsed by cooperatives and dealers of these commodities in my State; also by the South Carolina Produce Association, which is the largest in the Carolinas and is located at Meggetts, S. C. I am going to quote their letter written on March 12, 1929, in behalf of this legislation:

MEGGETTS, S. C., March 12, 1929.

Subject: Summers bill (H. R. 16796).

Hon. GILBERT N. HAUGEN,

*Chairman Committee on Agriculture,*

*Member of Congress, Washington, D. C.*

HONORABLE SIR: As the largest distributors of vegetables in the Carolinas, we are writing to strongly urge favorable consideration to bill H. R. 16796.

The abuses that shippers are obliged to suffer in the handling of perishables on account of the dishonest practices of certain dealers is beyond your imagination, and legislation such as is proposed in the bill referred to above will go a long way to drive this type of fellow out of business or force him to change his methods, all to the benefit of the shipper.

Thanking you, yours very truly,

SOUTH CAROLINA PRODUCE ASSOCIATION,

T. W. BENNETT,

*General Manager and Treasurer.*

Mr. PURNELL. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. PURNELL. The gentleman states that a number of organizations are for this bill. Does he mean that these organizations are for this bill with the inclusion of poultry and eggs?

Mr. FULMER. I understand these organizations are against the inclusion of poultry and eggs.

Mr. PURNELL. Their original indorsement went to what we know as the original Summers bill, which dealt with fruits and vegetables?

Mr. FULMER. That is right.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. CLARKE of New York. Does not the gentleman think it is fair to include poultry, eggs, and other agricultural products?

Mr. FULMER. I will say to the gentleman that, inasmuch as this bill has been worked out for fruits and vegetables, I

do not think we should at this time include poultry and eggs or any other products. I believe that ought to come in later in a separate bill.

Mr. ABERNETHY. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. ABERNETHY. I understand the gentleman is in favor of the bill as now amended. He is supporting this measure, as I understand it.

Mr. FULMER. That is right, except I will vote for an amendment to strike out poultry and eggs, which these organizations do not want.

Mr. JONES of Texas. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. JONES of Texas. Does not this bill cover in some measure the same ground covered by the bill proposed by the gentleman from South Carolina [Mr. HARE]?

Mr. FULMER. It covers some of the ground, but I understand it will not interfere with the operation of Mr. HARE's bill.

Mr. JONES of Texas. Will it cause any duplication?

Mr. FULMER. I do not think so.

It is the purpose of this bill to suppress unfair and fraudulent practices in marketing perishable agricultural commodities. I am absolutely for this because my people are being robbed of thousands of dollars annually by unfair and fraudulent practices by the handlers of these commodities. They need the protection on that this bill, if properly interpreted and administered, will give them.

#### UNFAIR CONDUCT

Sec. 2. It shall be unlawful in or in connection with any transaction in interstate or foreign commerce—

(1) For any commission merchant or broker to make fraudulent charge in respect of any perishable agricultural commodity received in interstate or foreign commerce.

I can see how commission merchants and brokers could charge items in making returns that could not be recovered by the shipper except in an expensive lawsuit. Under this bill a complaint could be made to the Agriculture Department and satisfactory results obtained promptly and without so much expense.

(2) For any dealer to reject or fail to deliver in accordance with the terms of the contract without reasonable cause, any perishable agricultural commodity bought or sold, contracted to be bought or sold in interstate or foreign commerce by such dealer.

Some years ago a party shipped two cars of sweet potatoes to a dealer here in Washington. On the arrival of the potatoes, the dealer wired the shipper, as follows:

The potatoes do not come up to the grade as bought. Can offer you so much for them.

The price offered was much lower than what they were bought for. The shipper immediately came to Washington and found that the cars had not been opened. They opened the cars then and found the potatoes O. K. in every respect, and the shipper was paid full price for them. Shippers can not always follow up their shipment as in this case. Fruits and vegetables can not stand any delay for adjustment of these matters. If this shipment had come from a distance of a thousand or fifteen hundred miles perhaps the shipper would have accepted the offer and therefore would have been robbed out of the difference. A number of cases similar to this one were given in the hearings. For instance, Congressman BURNETT gives one case in his statement:

A concern in Iowa ordered a car of seed potatoes and when they arrived they rejected them on the ground that they were very very dirty, large amount of small potatoes, wet, and moldy. We sent C. L. Fitch, of the Agricultural College of Ames, to inspect the car and he wired us that they were strictly U. S. 1, no small potatoes, no wet potatoes, and no mold, and stock bright and clean, all of which was directly opposite to the statement made to justify the buyer's rejections.

(3) For any commission merchant to discard, dump, or destroy without reasonable cause any perishable agricultural commodity received by such commission merchants in interstate or foreign commerce.

The Elloree Sweet Potato Association, which is located in my district, shipped two cars of potatoes to a commission merchant here in Washington on consignment. After about two months this association, composed of some of the best farmers in the district, requested me to call on this firm and ascertain why they could not get a settlement for this shipment. I went down to see these people and was given a very pleasant reception. After referring to their books they stated that the potatoes came in bad condition and that they had to dump most of them. They further stated that they did not sell enough to pay freight on the two cars. You see, my people not only lost their potatoes but the expense of loading and the price of the barrels in which the potatoes were shipped. Farmers of South Carolina and



Georgia have been robbed out of millions of dollars on watermelons and cantaloupes because of the dumping or fraudulent reports of dumping. In a great many instances dealers come back on the shippers for freight. These requests for freight not being paid by the shipper in a great many instances caused the railroads to refuse shipments unless freights were prepaid by the shipper. I hope this bill will take care of these fraudulent practices.

(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement concerning the condition, quality, quantity, or disposition of, or the condition of the market for, any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold or contracted to be bought or sold in such commerce by such dealer; or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account promptly in respect of any such transaction in any such commodity to the person with whom such transaction is had.

(5) For any commission merchant, dealer, or broker, for a fraudulent purpose, to represent by word, act, or deed that any perishable agricultural commodity received in interstate or foreign commerce was produced in a State or in a country other than the State or country in which such commodity was actually produced.

(6) For any commission merchant, dealer, or broker, for a fraudulent purpose, to remove, alter, or tamper with any card, stencil, stamp, tag, or other notice, placed upon any container or railroad car containing any perishable agricultural commodity, if such card, stencil, stamp, tag, or other notice contains a certificate under authority of any Federal or State inspector as to the grade or quality of the commodity contained in such container or railroad car or the State or country in which such commodity was produced.

(7) For any commission merchant, dealer, or broker to conspire, combine, agree, or arrange among themselves to manipulate or control prices of any perishable agricultural commodity in interstate or foreign commerce; provided this does not apply to cooperatives.

This subsection was placed in the bill as an amendment offered by me, and I think it is as important as any other part of the bill.

This is a day of merging, combining, and price fixing. We read and hear Members and the public talking about this daily, and various investigations are now going on by the Federal Trade Commission and special committees. During and since the Harding administration it seems that these combinations and centralized monopolies are being encouraged by the party in power.

The Federal Trade Commission, an agency of the Federal Government, used to investigate and report to the Department of Justice fraud and the formation of monopolies, but during the past few years this commission apparently has sold out. At any rate, they are the prime movers in holding trade conferences and helping to organize industry and trade corporations, as well as giving them their indorsement to their rules and trade practices.

Under the indorsement of the Federal Trade Commission the cottonseed-oil mills industry has absolutely shut out competition, and to-day have a hog-tied monopoly in price fixing, buying, and selling cottonseed and their products, which is costing cotton producers millions of dollars annually. I have the facts to prove these statements and propose to give them to you and the public later. In subsection 7 I am trying to give a second check to the Department of Agriculture, who will administer this law. This section only applies to commission merchants, dealers, and brokers, not to cooperatives and producers. Here are the concerns that are sponsoring this legislation:

International Apple Association, Rochester, N. Y.

National League of Commission Merchants, Indianapolis, Ind.

American Fruit and Vegetable Shippers' Association, New York, N. Y.

They stated before the committee that they have been working on this bill for several years. Listen to the statement made by Mr. Fraser in answer to a question of my colleague, Mr. ANDRESEN, of Minnesota:

Mr. ANDRESEN. How many dealers in the country would come within the provisions of this act if it becomes a law?

Mr. FRASER. Probably—I do not know; somewhere between 20,000 and 40,000.

At the present moment we have 2,500 firms in the organization represented here. The organization which Mr. Keach represents, the Western Fruit Jobbers, the International Apple Association combined, probably represent 2,500 firms, cooperatives, growers, and distributors.

There are probably 20,000 up to 40,000 men who handle fruits and vegetables in car-lot quantities, and they are floating around and giving the rest of the dealers trouble, while doing only at the most 10 to 15 per cent of the business, the 2,500 represented here do 75 to 90 per cent of the business of the country.

With this statement I can see the great need of subsection 7. These dealer associations control 75 to 90 per cent of the fruit and vegetable business of the country. As stated by Mr. Fraser, they are deeply concerned about the twenty-odd thousand dealers, whom they claim are floating around and giving them trouble. It will be an easy matter for the Federal Trade Commission to get these highly organized dealer associations together in a trade-practice conference and do as they did with the cottonseed-oil industry. These dealer associations are the ones that object to subsection 7. It is my intention, under this section, to safeguard the interest of cooperatives, producers, and consumers and not allow those controlling 90 per cent of the country's business to combine, monopolize, and fix prices.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman, I would like to have a little further explanation from the gentleman from South Carolina. I tried to get it, Mr. Chairman, when the measure was before the committee for hearing. I would like to ask the gentleman from South Carolina [Mr. HARE] if this measure does not undertake to cover at least in some degree the ground covered by his measure or the ground intended to be covered by his measure, which has already been enacted into law and which is now being administered by the same department that would administer this proposed law.

Mr. HARE. I can say to the gentleman that this measure, as I understand it, is almost identical with existing law except it takes in or includes brokers or dealers, whereas existing law applies only to commission merchants. An amendment has been asked to the existing law to include dealers and brokers or those who purchase outright when making fraudulent representations, and so forth, and this amendment is now pending before the Agricultural Committee.

Mr. JONES of Texas. Would it not have been simpler then, and I am asking this for information, to take the present law and amend it so as to make it cover what the gentleman had intended it should cover in the beginning and thus simplify not only the law but the administration of the law?

Mr. HARE. If the gentleman is asking for my individual opinion I would say yes, and I say yes for the following reason: Under the existing law, where a man violates any of its provisions, it is made a misdemeanor and a fine not to exceed \$3,000, or imprisonment not to exceed one year, may be imposed, whereas under the proposed bill there is no penalty further than the taking away of the license of the man who holds it.

Mr. JONES of Texas. I would certainly like to have an explanation of that.

Mr. ADKINS. May I ask the gentleman from South Carolina if he knows of any person who has ever been sent to prison for violating the law to which he refers?

Mr. HARE. Yes; in several cases that have been tried since March 3, 1927, the Department of Justice has secured convictions. I may say to the gentleman that I do not want to be placed in the position of opposing this bill, because if there is anything not taken care of by existing law I am anxious to see some legislation passed to take care of it, and while I think the bill is quite imperfect it is my purpose to support it.

Mr. JONES of Texas. I am not in position to argue with gentlemen on that proposition. I do not have any appreciable amount of this character of shipments, or at least not in commercial quantities in the district I represent, but just as a matter of orderly procedure and in the interest of good government, I can not see any reason for having any sort of duplication here. I can not see any reason for complicating administration for those who will have the business of administering the matter by having two separate laws that at least partially overlap, or appear to do so. It seems to me as we have a law which covers a portion of the proposal that is sought to be covered in the proposed measure, it might be much simpler for the department to administer if we simply enlarged the operation of that law in so far as that may be necessary in order to make it cover what is sought to be covered by the pending measure; and if I read this bill aright it provides a complete, different, and independent administration in and of itself and does not in any way refer to or provide for collaboration with the measure of the gentleman from South Carolina.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. JONES of Texas. Yes, I yield.

Mr. SUMMERS of Washington. This proposed legislation is not meant in any way to interfere with the other law, which is a criminal statute and necessitates going into court for relief. This bill sets up a licensing system whereby you may get relief in a shortage of \$100 or \$200, where you can not afford

to go into court. An unscrupulous dealer or commission merchant at a distance will not take chances on forfeiting his license in order to inflict a fraud of \$100 or \$200 against his customer.

Mr. JONES of Texas. But they both strike at the same problem.

Mr. SUMMERS of Washington. Yes; and there was general law before either one of them was enacted, I dare say, covering the question, but it necessitated going into court, and a trial by jury, maybe a thousand or two thousand miles away from where one of the parties to the suit resided.

Mr. JONES of Texas. I have not read recently the act of which the gentleman from South Carolina is the author, but I was on the committee when hearings were had, and it seems to me it provided a means whereby Government agencies would see that the matter was searched out and that some sort of relief was granted.

Mr. SUMMERS of Washington. Under the Hare bill?

Mr. JONES of Texas. Yes. Of course, there is a penal provision in it also; but, as I remember, it set up certain machinery for administration.

Mr. SUMMERS of Washington. There is no licensing under that law.

Mr. JONES of Texas. There is no licensing, but it provides a penalty and also provides that the Government shall undertake to see that fraud is not practiced in operating under the contracts.

Mr. SUMMERS of Washington. Let me say just this, and I will not argue the matter further. This bill undertakes to adjust the small infractions where they can not afford to go into court, and they constitute 90 per cent of the offenses.

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON of Missouri. Mr. Chairman and gentlemen of the committee, I dislike to oppose this bill. It comes from the Committee on Agriculture, of which I am a member, yet I can not indorse it.

In the main, as I see it, the question is whether or not the Government is going further into the licensing business. Speaking for myself, I believe the people are fed up on licenses at this time. On the other hand, I want to read from the official proceedings of the National League of Commission Merchants of the United States at their thirty-eighth annual convention, held at Detroit, Mich., on January 16 to 18, 1930, Mr. J. J. Castellini speaking:

Personally I hope to see the day when every line of business will be licensed. When every individual, regardless of his profession, will receive a license to do business in that line and in no other line until he qualifies for something else. I think we have reached that point. It has taken a good many years for us to think that way, but we are traveling fast, gentlemen.

Yes, we are traveling fast, gentlemen, very fast, if we pass this bill to-day—traveling in a dangerous direction. Commission merchants of this country, numbering, according to the testimony offered before our committee, from 20,000 to 40,000, would take out licenses at a cost of \$10 each, while many other thousands, small operators, would go out of business, thus reducing competition.

For myself, I believe we have gone far enough in this licensing system. We require licenses for too many things now. I hope that this bill will be very carefully considered before it receives the approval of this committee.

Mr. SLOAN. Will the gentleman yield?

Mr. NELSON of Missouri. I yield.

Mr. SLOAN. Can the gentleman conceive of any reason, as poultry and eggs are now marketed, for including dressed poultry and eggs in this bill?

Mr. NELSON of Missouri. I can not; and, furthermore, many people in Missouri, a leading poultry-producing State, are against it.

Mr. ANDRESEN. Can the gentleman explain why so many commission men appeared before the committee in favor of the license system?

Mr. NELSON of Missouri. No; unless it were to have the Government make them be good. I can not believe that the first interest of the commission men is to protect farmers.

Mr. ANDRESEN. The original bill provided that the farmers should be licensed, and I was of the opinion that when we removed the farmers the commission men would not be so keen for this bill.

Mr. LEA. Will the gentleman yield?

Mr. NELSON of Missouri. With pleasure.

Mr. LEA. Does not the gentleman recognize that if a man is engaged in a commission business, if he is an honest dealer, he suffers a great deal at the present time on account of the fraudulent practices of other men engaged in the same business,

and that he may desire to clean up a business and get the confidence of the people with whom he deals, and so would be in favor of the system?

Mr. NELSON of Missouri. That argument was advanced before the committee, but frankly I did not see much force in it.

Mr. BRIGHAM. Will the gentleman yield?

Mr. NELSON of Missouri. Certainly.

Mr. BRIGHAM. Is it not true that during the war period the commission dealers were licensed by the Food Administration, and in the light of that favorable experiment they are now in favor of this license?

Mr. NELSON of Missouri. In reply to my esteemed colleague, for whom I have great respect, I want to get far away from that war-time license system, necessary as it may have then been. The people of my State remember something of it, and virtually in every line in which the farmers were concerned, those memories are not altogether pleasant.

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, every time I look at a bill of this character my thoughts revert to the political platforms of both parties and I recall that popular paragraph in both platforms—"less government in business and more business in government." That is the pledge you make every four years. It is indeed popular during the campaigns, but soon forgotten when you commence to legislate.

What does this bill do? It provides that all who handle perishable products must apply to the Secretary of Agriculture and secure a license at a cost of \$10 annually before he can proceed to do business. It makes a czar out of the Secretary of Agriculture, as he can take away the license, thus putting the holder out of business if he desires. He can investigate any dealer on receipt of a letter from some shipper that he has not been fairly treated in that the price he received from his product did not suit him although the market might have fallen while the shipment was en route.

As I see it, the Secretary is the sole arbitrator and his decision will require the one who handles the goods to comply or he will lose his right to do business.

Where are the State rights' men? Where are the people who rise in their seats and clamor for the Congress to let legitimate business alone. The farm-relief label is attached to this bill, and it seems every time the label is in evidence the bill is passed without due regard for the ultimate result.

It is another step toward centralization of power.

This bill will result in another horde of Federal agents interfering with legitimate business. It means more jobs for the faithful, more snoopers. We have enough Federal agents now. Why, the bill even requires a certain method of bookkeeping. I suppose if that paragraph is not complied with he will be subject to forfeiture of license.

You have no more right to license those who handle perishable products than you have to license the furniture or any other dealer. You are establishing a policy that is absolutely unsound.

Why, the statement was made the Secretary would even have control over one doing an intrastate business.

You are making a collecting agency of the Government, something heretofore not attempted. The Secretary of Agriculture, in deciding a complaint, can hold the dealer should reimburse the shipper. If the dealer does not, no doubt the license will be revoked, so in order to remain in business the dealer must pay.

The Secretary of Agriculture will be continually settling petty quarrels.

I say that bills of this character have no place on the statute books of this country, and I propose to vote against this measure.

The commission men of my city—St. Louis—are not asking for this bill so far as I know. They are honest men, some in business over 50 years. If they were not honest, they could not exist. They are organized, and for their own protection get rid of those who are not fair to the shipper.

There is no need for such legislation and I hope the bill is defeated.

Mr. HALL of North Dakota. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. ADKINS].

Mr. ADKINS. Mr. Chairman, I do not know that I have ever been crazy about this kind of legislation myself, but this matter was agitated for a long time in the State of Illinois. Perhaps there is more business done in the city of Chicago than in any other food-distributing center in the country, if not in the world. More perishable commodities are handled there through the commission houses than in any other place in the country. They never formed an exchange to control the conduct of the men doing a commission business, and a system grew up whereby shysters would come in and get people to consign goods to them, and then move off after they had gyped



the consignor. For session after session there came before the State legislature a demand upon the part of the farmers of the country to control this situation. After many sessions and hearings and argument, we adopted a much more stringent law than the one now proposed, putting all of the commission men under a license of \$10. The fear expressed by the gentleman from Missouri [Mr. COCHRAN] who just preceded me was not warranted. There have been very few prosecutions under that law, and I happen to be in a position to administer it for four years myself. The men know that if a complaint is made from any State in the Union over a shipment sent there, the department of agriculture of that State will investigate it, and that they have a right to come in and demand their books, and if they find that the shipper has been unfairly or dishonestly treated, the commission man forfeits his right to do business. No reputable commission firm that is worthy of the confidence of the producers of the country has any chance of being put out of business by conducting their business in any other way than in a reputable way.

Mr. JONES of Texas. Does not the Illinois law have an antimonopoly provision in it?

Mr. ADKINS. It has.

Mr. JONES of Texas. And that is still in the law?

Mr. ADKINS. Yes.

Mr. PATTERSON. Then, this particular law is not needed in the State of Illinois if there is a State law for it?

Mr. ADKINS. No; and if the gentleman will just be patient I shall come to that provision in a moment. So far as Illinois is concerned it does not make any difference from what State the shipment of fresh fruits and vegetables comes. If a consigner notifies the department of agriculture, making the complaint, that department will step in and investigate the matter, and if a wrong has been done the consignor the department sees that it is made right, and the consignee is made liable to suspension for a time or loss of license. That is true, also, of your livestock commission merchants. That has been invoked by the department of agriculture. It has been a mighty fine thing for the cattlemen and for the producers in our State that we do have such a Federal and State club over these men engaged in the business of handling livestock and commodities for the farmers. Of course, I am never strong for duplication. The men most vitally affected are those who have to ship long distances, a thousand or two thousand miles, to find a market for their goods in the great consuming centers. We had a man in our State whom we called the goose king. He raised geese and chickens and sent them alive to New York. Because there was no law to protect him, he always went with the consignment of goods himself, because he would not trust the commission men.

A demand has come from these places for a Federal law, because it is found that there are only 22 States that have such a law as we have in Illinois. There is not sufficient interest in the other States to put a law of that kind on the statute books. After listening to all the needs and demands and where they came from I said to myself that I would not object to this bill. I think the States ought to handle this, and they all ought to have a law like the State of Illinois, but they are not all as large food distributing centers as that State. Because of the insistent demand coming from various quarters that have to ship into communities where they are unprotected, I feel that a Federal law is a very good thing.

There are something like 367 commission merchants in the State of Illinois paying a \$10 license fee, subject to all of the penalties that go with a violation of the law. So far as putting a man in the penitentiary is concerned, I do not take any stock in that. The penitentiaries are too full now. Take any business man and take away his right to do business and fine him, and that is a sufficient punishment to him and a sufficient warning to others in that business.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. ADKINS. Yes.

Mr. HARE. I am interested in the statement the gentleman just made. I gather from the statement the gentleman has made that there are men in this country engaged in business and that they are using it with intention, premeditation, to defraud some man out of his earnings. The object of this legislation is to prevent that. Now, if a man goes ahead and deliberately defrauds another, do you think it a sufficient penalty just to remove his license? Do you not think he ought to be fined and imprisoned and required to pay the penalty for that fraud, just the same as any other?

Mr. ADKINS. No; I do not think so. If he commits such crimes as you outline, we have criminal statutes to prosecute him under. If every man that ships were a good business man there would be no need for a law of this kind.

I have had some experience along this line. I do not think there is much fraud in this business. When it comes to the end of a season, in the matter of shipping hay, for example, we ship only the surplus. Now, there are a good many fellows who are not reliable; and citing my own experience, I will say I went to St. Louis and to Chicago and found out good, responsible men to ship my surplus hay to. I would ship to them, and really I was surprised at the good prices I got for some of it.

Now, nobody should be gullible enough to send his products to anybody that hangs out his shingle, but we have a lot of fellows who do. I do not think that the man in the case that the gentleman from South Carolina suggests, who is careless in consigning his commodity, should receive much consideration. As I said before, when you take away from a man the right to do business and fine him, you have already provided a sufficient protection to the public to warn other men engaged in that business and to call the attention of the consignor to the importance of dealing with reliable business men to whom to consign shipments.

Those penalties already existing are sufficient. Since the law was passed in 1918 in our State we have had very few such abuses.

Mr. LEA. I call the gentleman's attention to the fact that this bill provides that no existing act on the subject shall be displaced by this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. GARBER].

The CHAIRMAN. The gentleman from Virginia is recognized for five minutes.

Mr. GARBER of Virginia. Mr. Chairman and members of the committee, there seems to me to be considerable misapprehension about the purpose and intention of this bill. We have been talking about farm relief for months and months, and I want to say that there has been no bill brought before the House that is more distinctly a bill providing for the protection of agriculture than this one. I want to be very practical in the few minutes I shall use.

What does the bill propose to do? It is simply a case of protecting the producer back home in the shipment of products—poultry and eggs and other perishable products—against reprehensible practices of irresponsible commission men.

The question is asked frequently, Why do the commission men favor this legislation? The answer is that honorable and honest commission men want to be protected against the dishonest ones. That is the reason why reliable commission merchants are in favor of this bill.

What is the practical effect of the bill and what called it into existence? Why was this legislation brought in here? As a practical grower of perishable fruit I want to be very practical for a moment. Here is what we are up against: Take, for example, the growers of peaches in our section. What happens? You will pick in your orchard perhaps 10 carloads or 20 carloads of peaches, which, as you know, are very perishable.

What is the effect when you have put your peaches on the track? You find that the New York market is glutted, that the demand for the next day will not take care of the prospective consignments. There is everything to indicate that the market will be glutted to-morrow. We pass on to Washington, Baltimore, or Philadelphia, or other markets, and we find that the commission merchants there are in a position where they can not handle those peaches. In that case we must divert the shipments to other points. We must do the best we can. We must take a chance with the man to whom we are forced to ship. What happens? The peaches pass out and get into the hands of these men that prove irresponsible. They will pay what they please, or they will condemn them, or do anything else they please to do.

Mr. HARE. Mr. Chairman, will the gentleman yield there?

Mr. GARBER of Virginia. Yes.

Mr. HARE. Does not the present law take care of that commission merchant?

Mr. GARBER of Virginia. No. I will be glad to answer the gentleman's question.

Here is the purpose of the bill: In the gentleman's State, for instance, the shipment goes into a foreign State. There may be \$100 involved or \$200, and that means that the producer back home can not afford to go 100 miles or 200 miles or 500 miles to fight for a small claim of two or three hundred dollars. This bill provides for the protection of the shipper, so that the commission merchant must be honest whether he would or not.

Now, I want to take just a moment to reply to one point that has been raised here, that it interferes with our present marketing act. The Farm Board was set up and the act provided

for a clearing house to be set up whereby the cooperatives back home could market and handle their home crops at the terminal. The point is raised that this interferes directly with the cooperatives. The gentleman from New York [Mr. CLARKE] takes that position. I can not understand the line of reasoning that arrives at that conclusion.

The cooperatives back home, acting under the farm marketing act, will need the benefit of this protection against the irresponsible commission merchant just as well as any individual shipper.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. GARBER of Virginia. I yield.

Mr. CLARKE of New York. Will the gentleman not concede that if the producers of a particular commodity were organized closely enough they would have their own protection?

Mr. GARBER of Virginia. Well, I concede that frankly, certainly; and the more closely the cooperatives are organized the less need there will be for this protection. But let me ask the gentleman from New York [Mr. CLARKE] in what way will this bill interfere with the cooperatives in their operations?

Mr. CLARKE of New York. Because the fundamental principle of the Farm Board is to encourage the producers of a particular commodity to go into cooperative organizations, to federate nationally and feed into markets along natural lines the commodity which they produce; and when a collection agency is proposed, it discourages the men from joining the cooperatives in order to protect themselves and market their products.

Mr. GARBER of Virginia. Does the gentleman from New York [Mr. CLARKE] take the position that protection to the shipper at the selling end will interfere with the principle of cooperation at home?

Mr. CLARKE of New York. My position is that it will discourage them, because it assists in removing the necessity for joining the cooperative movement.

Mr. GARBER of Virginia. I do not agree with that at all. I think it will encourage instead of discourage such a movement. I do not agree with the gentleman at all. What is the gentleman from New York going to do with the hundreds of shipping points all over the country where, in the very nature of things, the cooperatives will not be able to set up their own distributing clearing house?

Mr. CLARKE of New York. I think that if the producers of a particular farm commodity are not willing to evidence their interest by joining a cooperative movement, then there is no effort of law that should be set up by the Federal Government for men who are unwilling to help save themselves.

Mr. GARBER of Virginia. If the gentleman will permit, I am unable to follow the gentleman's logic as to why he takes the position that the guaranty of an honest distribution of a commodity at one end is going to in any way interfere with cooperative activity at the other end. On the other hand, it will be of just as much value to the cooperative back home as it will be to the individual.

Mr. CLARKE of New York. The Dairymen's League, the second largest cooperative, which last year did \$84,000,000 worth of business, has helped through cooperative marketing to eliminate at least 80 per cent of the rascals in the milk game.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. GARBER of Virginia. I yield.

Mr. SCHNEIDER. Is it not a fact that the largest cooperative organization dealing in perishable goods now sells to commission men? I refer to the fruit industry of California.

Mr. GARBER of Virginia. Certainly. May I pursue that same line for the benefit of my friend from New York? The cooperatives need every possible guaranty at the point of distribution.

Mr. CLARKE of New York. Amen.

Mr. GARBER of Virginia. This will in no way interfere with their operation, but it will, rather, encourage them, because when they have to take a chance on a commission merchant it will guarantee them proper protection.

I would like to say further that when the time comes that the Farm Board will set up a clearing house in every distributing center of this country we will not need this protection for the cooperatives, because they will market their own commodities at the terminals; but until that time comes and until all growers become members of the cooperatives, I say that the producer back home certainly needs this sort of protection.

Mr. CLARKE of New York. Will the gentleman yield again?

Mr. GARBER of Virginia. I yield.

Mr. CLARKE of New York. Then we began one of the greatest things to-day when we enlarged the Federal warehouse act, because under this enlarged act we permit the assembly of commodities which the farmer produces at the points of production, and naturally in feeding out to the markets of the

United States and the markets of the world the Farm Board will regulate the flow of those commodities so that there will not be the gluts in the markets that there are now.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARBER] has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and members of the committee, this is a very important bill, and I hope you will give very careful thought to one or two phases of the discussion that have taken place this afternoon.

In the first place, considerable emphasis has been laid on the fact that this bill was undertaken as a sort of a slap against the splendid new Federal farm marketing act, and the splendid Farm Board. I think that is unjust to the committee, because when we recall the years that have been spent in the matter of evolving something in the way of a farm relief measure, I feel certain we would be the last to propose any legislation that would in any way cripple the efficiency of that fine, new organization.

I think there is considerable merit in the contention of my good friend from New York [Mr. CLARKE] to the effect that cooperatives ought to be encouraged, and that farmers, when they do go into the cooperatives, will be able to handle this matter. But in a very practical way will the members of the committee please consider how soon they expect the farmers of the United States to be so thoroughly organized that they will be able to function in the way that has been described. I may say that in my judgment it will be at least 10 and possibly 15 years before that long, hard road of thoroughgoing organization of cooperatives will be achieved, and in that time I want to say to you that literally thousands of dollars will be taken out of the pockets of the producers of this country by the unfair practices that have been so well described this afternoon.

It seems to me that, as practical men and women, we should not emphasize the other idea, but we should face this situation exactly as it is. When men who are interested in the commission business come before a great committee of Congress and ask that legislation be enacted in order that they may improve their own business, it seems to me that at least Congress might well go halfway and write a statute that would be of assistance to them in lifting the level of their business, which I think we all agree is important.

I come from a section of the country where we have great quantities of perishables, and I am very certain indeed that no proposition that will come before this Congress will more adequately meet the needs or will be more enthusiastically supported than this particular proposition, because men who ship fruit and men who ship potatoes have literally been gouged out of thousands and hundreds of thousands of dollars. If by this measure we may correct that situation, I am certain we should do it.

Now turning for a moment to the other side of the picture, considerable has been said about the injustice that is being done to the commission merchants. I say that my observation of this kind of legislation, when applied, instead of being a handicap has been a very great encouragement to commission men, and therefore I can not see the persecution and the harm that a great many of the gentlemen think will be done to legitimate business, as the commission business of many excellent men can well be described.

So, Mr. Chairman and ladies and gentlemen, speaking particularly now to those who have agricultural constituencies, and I say that of the measures reported by our Committee on Agriculture, I can not think of one that will be of more importance and more direct or more material benefit to the farmers and producers than this measure, and therefore I ask your favorable consideration of this act. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. KETCHAM] has expired.

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman and members of the committee, there should be no objection to this bill on the part of anybody, unless one wants somebody to take advantage of the growers and engage in unfair competition. [Applause.] I can not see why anybody should object to it. The fee of \$10 is a mighty small fee. The thing that appeals to me is set forth on page 19, section 2. A further thing that appeals to me is that if one of these commission men undertakes to take away the produce of a shipper, then the shipper has some forum to which he may appeal and have the commission man's license taken away from him. I think that is the strongest thing in this bill.

Mr. KNUTSON. Will the gentleman yield?

Mr. ABERNETHY. Yes.



Mr. KNUTSON. Does not the gentleman think this is an invasion of State rights?

Mr. ABERNETHY. I do not think there is any question about State rights in this bill. I am very much in favor of State rights, but you folks on the Republican side of the House have been tearing them down—State rights—so much lately that I have begun to believe it would probably take another war before we could get State rights even then.

The folks in my country, the people who ship truck, are very much in favor of this bill.

Mr. KETCHAM. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. KETCHAM. Does not the gentleman think the provisions of this bill with reference to taking away the license is a much more direct and effective means of correcting the injustice rather than to take a man into court?

Mr. ABERNETHY. I think so. Objectionable practices by commission men have been going on for years. You take a man who sends a carload of produce to New York or some other northern market. In many instances they take his produce and then write him for the freight. He hardly gets a postage stamp in return. This bill is an absolute check, and the only power that can check it, the shipments being interstate commerce, is the Department of Agriculture, as provided for in this bill.

We all voted for the farm bill. I do not know whether it is a good thing or not, because it does not seem to be working out just now. However, the farmers said they wanted it; but I notice quite an attack is being made on it by certain interests of the country.

As far as I am concerned, I think this is a good bill, and my folks are strongly back of it. I always like to stand by my folks. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 25 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, in view of the statements that have been made in reference to this bill, I feel that many of us are not exactly prepared to vote intelligently on the proposed legislation at present. I think there should be a more definite and thorough understanding of its scope and purposes. I feel that probably some of us are not familiar with the details of existing law on the subject involved in this legislation. A great deal has been said about the operations of commission merchants who defraud producers out of the value of their perishable crops. This bill is designed to prevent that in the future. I want to say that there is already a law designed to prevent this practice, and I ask unanimous consent that the Clerk may be permitted to read two sections of the existing law, not within my time, in order that we may know just what its provisions are.

Mr. LARSEN. Did the gentleman, in his unanimous-consent request, ask that these two sections be read not within his time?

Mr. HARE. Not within my time; yes.

The CHAIRMAN. If these sections are read they will have to be read in the gentleman's time.

Mr. LARSEN. It ought to be taken out of the gentleman's time because he has 25 minutes.

The CHAIRMAN. This is in the nature of debate and the rule allows only two hours, one hour on a side. If time is taken for the reading of these two sections, it will have to be taken from the time of debate.

Mr. HARE. Mr. Chairman, that is entirely satisfactory, and I think if due attention is paid to the reading of these two sections better information will be given than may be obtained by argument, and I ask unanimous consent, therefore, that the first two sections of the law be read.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That after June 30, 1927, any person, firm, association, or corporation receiving any fruits, vegetables, melons, dairy or poultry products, or any perishable farm products of any kind or character, hereinafter referred to as produce, in interstate commerce, or in the District of Columbia, for or on behalf of another, who, without good and sufficient cause therefor, shall destroy, or abandon, discard as refuse, or dump any produce directly or indirectly, or through collusion with any person, or who shall knowingly and with intent to defraud make any false report or statement to the person, firm, association, or corporation from whom any produce was received, concerning the handling, condition, quality, quantity, sale or disposition thereof, or who shall knowingly and with intent to defraud fail truly and correctly to account therefor, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than \$100 and not more than \$3,000, or by imprisonment for a period of not exceeding one year, or both, at the discretion of the court. The Secretary of Agriculture shall by regulation provide for the making of prompt in-

vestigations and the issuing of certificates as to the quality and condition of produce received in interstate commerce or in the District of Columbia, upon application of any person, firm, association, or corporation shipping, receiving, or financially interested in, such produce. Such regulations shall designate the classes of persons qualified and authorized to make such investigations and issue such certificates, except that any such investigation shall be made and any such certificate shall be issued by at least two disinterested persons in any case where such investigation is not made by an officer or employee of the Department of Agriculture or of any State or political subdivision thereof or of the District of Columbia. A certificate made in compliance with such regulations shall be prima facie evidence in all Federal courts of the truth of the statements therein contained as to the quality and condition of the produce; but if any such certificate is put in evidence by any party, in any civil or criminal proceeding, the opposite party shall be permitted to cross-examine any person signing such certificate, called as a witness at the instance of either party, as to his qualifications and authority and as to the truth of the statements contained in such certificate.

Sec. 2. The Secretary of Agriculture is hereby authorized and directed to enforce this act. It is hereby made the duty of all United States attorneys to prosecute cases arising under this act, subject to the supervision and control of the Department of Justice.

Mr. ANDRESEN. Will the gentleman yield?

Mr. HARE. Yes.

Mr. ANDRESEN. The provisions of the law just read relate to commission men and a license fee for commission men.

Mr. HARE. They relate to commission men but not to a license fee.

Mr. ANDRESEN. The bill before the committee at this time was presumed to be a commission man's bill, fostered by the commission men of the country. The bill took in dealers other than commission men and attempted to take in retail and wholesale merchants, men engaged in the retail business and also brokers and producers. The Committee on Agriculture amended the bill and eliminated the small retail merchants, eliminated the farmers and producers, and confined the bill in its present form to commission men and dealers handling perishable products in quantities over 20 carloads. So the provisions of this bill are broader than the provisions of the law just read.

Mr. HARE. That is right. The provisions are broader in that, whereas the existing law takes care of only the unscrupulous commission merchants, the proposed bill takes care not only of the commission merchants but the dealers, brokers, purchasers, or any other class named in the bill. I do not want to be placed in the position of opposing this bill, because I am in favor of the purpose of it; but what I am afraid of is that, if it is enacted into law, it will operate as a repeal of the existing law, and this is the reason I am insisting that it be discussed in detail, for, if I find it means the repeal of the existing law, I will vote against this bill.

In so far as the penalty is involved, I will endeavor to explain the difference between the existing law and the bill before us. Under the existing law, if a commission merchant is found guilty of dumping, destroying, making false reports, or false representations so that it becomes a fraud upon a producer, and if he is convicted therefor, he can be imprisoned for one year and fined as much as \$3,000. But under the proposed bill, if he robs a man of \$500 or \$5,000, the only penalty attaching to him would be the withdrawal of his license.

Mr. ADKINS. Will the gentleman yield?

Mr. HARE. Yes.

Mr. ADKINS. Does the gentleman know that if a man does that we have a criminal statute under which he could be prosecuted?

Mr. HARE. No; I do not know that.

Mr. ADKINS. If a man robs a man of \$500?

Mr. HARE. Not under the Federal statutes, provided it is done under the circumstances or conditions I have enumerated. The existing law makes it possible for the Secretary of Agriculture to turn reported violations over to the Department of Justice for prosecution. They have done it and are doing it to-day.

Mr. HOPE. Will the gentleman yield?

Mr. HARE. Yes.

Mr. HOPE. Does the gentleman feel that the law which he sponsored and which has been on the statute books for some three years has entirely done away with the practices which the bill we are discussing aims to prevent?

Mr. HARE. No; not entirely. My understanding is that commission merchants, since the passage of this law, are not receiving consignments in the same manner they did before. They are becoming dealers, brokers, and purchasers instead of commission merchants.

In other words, they are abandoning the old policy of receiving consignments and instead of having you consign them a carload of watermelons, cantelopes, or peaches, they will say to you by letter, by telegram, or by telephone, "We will give you \$200, or \$400, or \$600, for the car." Then when it arrives, they will make the complaint that it does not come up to standard, that it does not come up to requirements, and, therefore, they are not subject to the law, although their representations may operate as a fraud on the producer. I am anxious to see the existing law amended so as to include the purchaser, the dealer, and broker, as well as the commission merchant.

Mr. HOPE. Does not the gentleman think that the statement he has just made is the very best argument possible for the enactment of this law, so we may take care of the gentlemen who are engaging in the practices of which he speaks?

Mr. HARE. I will answer that question in this way, and I want the gentleman to understand that I am not unfriendly to the purpose of this bill. If we enact this bill into law and adopt the licensing system and it is left to the Secretary of Agriculture as to what he will do when he finds a man has violated the law, it will be left to him to say whether he shall be prosecuted and imprisoned, or whether he will simply cancel his license. To illustrate, suppose the Secretary of Agriculture should find in the city of Washington or in the city of Baltimore or in some other city, that a commission merchant has robbed a farmer of \$500 or \$1,000, for that matter, it will be left to the Secretary of Agriculture to say whether that man shall be prosecuted and imprisoned or fined, or whether he will tap him on the wrist and say, "We will take your license away from you and let you go," then give him a license to operate under another name and allow him to continue to rob the people.

Mr. HOPE. Will the gentleman yield right there?

Mr. HARE. Yes.

Mr. HOPE. In that case the Secretary of Agriculture will have two remedies, and does not the gentleman think there is an advantage in having both of these remedies, particularly because the offense under the gentleman's bill is a criminal offense, which would require the Secretary to go into court, offer proof, and obtain a conviction before a jury? The gentleman well knows from his study of this matter that in many cases this is impossible. Does not the gentleman think it would be better to have these concurrent remedies?

Mr. HARE. If the gentleman could assure me that the administrator of the law would not consider the existing law virtually repealed, then I would say yes, let us have both of them.

Mr. SUMMERS of Washington. Will the gentleman yield there, because I have had some correspondence on that question?

Mr. HARE. Yes.

Mr. SUMMERS of Washington. I took that question up specifically with the Department of Agriculture to know if this proposed law would duplicate or interfere with the other, and they wrote me a definite letter to the effect that it would not, that this was needed in addition to the other statute, and they covered that very specifically.

Mr. HARE. You know I would be prepared to accept that as absolutely final if the Department of Agriculture had not recently assumed the attitude of wanting to amend the existing law so as to eliminate several of its very vital provisions, for when we went before the Agriculture Committee a few days ago and asked that the existing law be amended so as to include purchasers, dealers, and brokers, as well as the commission merchants, the Department of Agriculture recommended against it. In other words, you will be confronted with a serious situation if this bill passes without amendment. Under the proposed law if a dealer is found guilty of violating it, he would not be subject to a penalty of \$3,000. The only penalty you could impose upon him would be to withdraw his license, but if he were a commission merchant he would be subject to a penalty of \$3,000. In other words, you would have a different penalty applying to a commission merchant and a dealer, although they may be guilty of the same and identical offense. Let me illustrate the point I am endeavoring to make.

Suppose Brown, a commission merchant, defrauds a farmer out of \$100 and it is proven on him in court, under the existing law he may be fined from \$100 to \$3,000, or imprisoned for not more than one year, or both, within the discretion of the court; but suppose Jones, a dealer or broker, defrauds a farmer out of \$100 and it is proven on him in court or elsewhere, under the proposed law the only thing you could do to Jones is to take his license away from him. That is, in the enforcement of the two laws the penalty to be imposed would not be based on the offense committed but according to the name of the title under

which the business is operated. You can readily see that under this arrangement you would soon have no one doing business under the style and name of "commission merchant," and it is for this reason I am contending that the passage of this bill without amending the provision as to penalties will be, in effect, a repeal of existing law, because it applies only to commission merchants. It should be made to include dealers and brokers. If you will agree to amend existing law to provide the same penalty for a violation of the law, I am with you.

Mr. SUMMERS of Washington. I would be more inclined to join the gentleman in amending his law to provide a penalty for the dealers.

Mr. HARE. In that event we will have but little trouble in getting together.

Mr. JONES of Texas. Will the gentleman yield?

Mr. HARE. Yes.

Mr. JONES of Texas. As I understood the gentleman in a statement which I heard him make once before, he said the only change that would be necessary in his law would be to add the names, "dealers, brokers," and the other names necessary to the term "commission men." In other words, the law is complete in itself except it does not name all those who need to be covered in order to make the law applicable to the situation the gentleman has in mind.

Mr. HARE. The gentleman is quite correct. Under existing law if a commission merchant makes any false representation, defrauds you in any way, shape, or form, the law takes care of it. The only thing it does not take care of is the purchaser, the dealer, the broker, or other classes who are doing pretty much the same kind of business as the commission man but under a different name or title. These titles or classes have developed and grown up since the passage of the act on March 3, 1927.

Now, gentlemen, just one more point. I am not prepared to argue against the licensing system, but I can see the possibility that under the proposed law the Secretary of Agriculture could grant licenses to only a half dozen commission merchants, dealers, or brokers and thereby weed out every other man in the business in any particular city. They could then organize in such a way there would be no competition between them; and when you destroy competition between these men the only sufferer is the man who produces the commodity they handle and the one who consumes it.

I may say I am vitally interested in this question, because my district produces perishable farm crops in large quantities. This last year we produced fruits and vegetables in 21 different varieties to the extent that they were marketed in carload lots, and 52 per cent of the entire tonnage from the State came from my district. I am, therefore, vitally interested in protecting the producer of perishable farm crops, but I am not willing to sit silently by and see a law enacted that would repeal existing law, which, to my mind, places a penalty upon the violator of the law greater and more severe than the penalty provided in the proposed law.

Mr. LEA. Will the gentleman yield?

Mr. HARE. Yes.

Mr. LEA. I would like to know if the gentleman makes that statement notwithstanding the language at the bottom of page 32 of the bill that—

This act shall not abrogate nor nullify any other statute, whether State or Federal, dealing with the same subjects as this act.

Mr. HARE. The gentleman evidently did not catch my statement a few moments ago. So I must repeat. Under existing law, if I am a commission merchant and you should ship to me a carload of California oranges and I falsely advise you that the carload of oranges is decayed, not up to grade, and I dump them and thereby defraud you of the proceeds to which you are entitled, and it can be proven that I did that, I would be subject to a fine not exceeding \$3,000 or imprisonment for one year. That is existing law. But under the proposed bill if that same transaction should take place and I were found guilty then the only penalty to be meted out to me would be the withdrawal of my license.

Mr. LEA. What I would like to know is why you say that this law would repeal existing law in that respect?

Mr. HARE. If I am a dealer or purchaser or a broker and the same transaction took place and I am found guilty under existing law I could not be touched, but under the proposed law my license could be taken away. If you as Secretary of Agriculture were placed in charge to enforce this law you would naturally withdraw the license for this transaction and mete out the penalty imposed under the license system, and in effect it would operate to repeal the existing criminal statutes, because under existing law the misdemeanor applies only to "commission merchants," whereas under this bill "dealers



and brokers" are included, and the existing law therefore would not apply to them. The only way to prevent having two inconsistent laws covering the same matter is to amend the existing law so as to include "dealers and brokers" or include similar penalties in this bill.

Mr. LEA. I would take it under the circumstances that the Attorney General would prosecute the guilty man under the criminal statute, and the Secretary of Agriculture would proceed under this law. The two statutes are not inconsistent.

Mr. HARE. I do not like to disagree so emphatically with the gentleman, but he is certainly mistaken. Let me illustrate again: If A, a commission merchant, is found guilty of defrauding you by false representations out of a carload of oranges he is, under the present law, subject to a fine of not exceeding \$3,000 or imprisonment not exceeding one year. But suppose, instead of A, the commission merchant defrauding you out of the car of oranges it is B, a dealer or broker that commits the fraud; he could not be handled under the existing law, and the only penalty you could impose under the proposed law would be to take his license away from him. The two propositions cover the same offense, and unless you amend the former to include "dealers and brokers," or amend the latter so as to provide the same penalties, you will have two statutes as inconsistent as it is possible for them to be.

Mr. HOPE. Will the gentleman yield?

Mr. HARE. I yield.

Mr. HOPE. Does not the gentleman think that the penalty under this law in taking away a dealer's license would be more severe than the fine of not to exceed \$3,000?

Mr. HARE. I do not think so in the light of my observation and experience. When you place a man in the penitentiary you place a greater penalty on him than taking away his license. Many of these men have no place of business but a little table in a back room, and you do not punish them much by taking away the license; but you put the stripes on them and you will soon stop their nefarious business.

Mr. HOPE. Will the gentleman state how many persons have been convicted and sent to prison since the enactment of his law?

Mr. HARE. I can not tell the gentleman, but I have received notice that a good many have, but the mere fact that there may not have been many convictions is no fault of the law. That is a charge to be registered against those in charge of its enforcement.

Mr. BURTNESS. Will the gentleman yield?

Mr. HARE. I yield.

Mr. BURTNESS. As a practical proposition, is it not difficult to obtain evidence upon which to convict a man under the present law—prove him guilty beyond a reasonable doubt? But when it comes to a civil action they are not confronted with the same difficulty, as a practical proposition, and does not the gentleman think that you can get relief in a great many cases under the civil procedure, where you could not under a criminal procedure?

Mr. HARE. I can see where there might be difficulty in securing evidence of guilt, but that is no good reason why we should crawlfish and get away from the present law.

Mr. GLOVER. Will the gentleman yield?

Mr. HARE. Yes.

Mr. GLOVER. I want to call the gentleman's attention to the language beginning on line 23:

This act shall not abrogate or nullify any other statute, whether State or Federal, dealing with the same subjects as this act; that it is intended that all such statutes shall remain in full force and effect except in so far only as they are inconsistent herewith or repugnant hereto.

How could your argument hold good that it would nullify the present law?

Mr. HARE. It would not nullify it from a legal standpoint but it would nullify it in the execution of the present law. I claim that if you have a criminal law and another law dealing with the same situation we ought to have the same penalty in both statutes. Let me illustrate again: We have a law now which says, in effect, to a commission merchant that if he defrauds a consignor of a perishable farm crop by false representations as to condition, quantity, quality, and so forth, he will be subject to a fine of \$3,000 or imprisonment for one year, and now we come with another law saying to the same man if he defrauds a consignor of a perishable farm crop by false representation as to condition, quantity, or quality, and so forth, the only penalty to which he may be subjected is the withdrawal of his license. This does, therefore, nullify the existing law to the extent that it will be left to the Secretary of Agriculture to say which penalty will be imposed. Furthermore, the fraud, in so far as the farmer is concerned, may be identical in every

respect, but if it is committed by a commission merchant, the penalty will be one thing, but if committed by a dealer or broker it will be an entirely different thing. That is, a commission merchant, if the proposed bill passed, may perpetrate a fraud, may have both his license taken away from him and then tried under the existing law, but a broker or dealer may perpetrate the same or identical fraud and the only penalty that could apply would be to withdraw his license.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. HARE. Yes.

Mr. ROMJUE. I agree with the gentleman in that construction. I call his attention to the fact that, where you have different penalties prescribed by the Federal Government for the same offense, if you can put two punishments in, what is to keep you from putting in 40 punishments and, if you are tried for one, would not the Government be barred from enforcing the other penalty?

Mr. HARE. Certainly it would, if they are both penal statutes. However, I think it would be possible under the law and under the proposed law to take away the license of a commission merchant and then prosecute him criminally, but it could not be done if the offender were a dealer or a broker, and I am anxious to see that the two laws apply to all alike, particularly where they are similar offenders.

Mr. BURTNESS. Does the gentleman contend that you can not enforce a civil remedy as well as a criminal one?

Mr. HARE. Oh, no. I do not contend that.

Mr. LARSEN. Does not the gentleman realize that in the Federal courts it takes a year or two to prosecute a man to conviction, and that under this you could stop his nefarious practices within a very few days by taking his license away.

Mr. HARE. I have no objection to taking away his license. The thing I am contending for is that when he is found guilty of these "nefarious practices" he should be punished for it as any other criminal. I doubt whether the taking away of the license will give the farmer any relief by checking these "nefarious practices," but if you will put them in the "pen" 12 months for each offense, it will not be long before these "nefarious practices" will be a thing of the past and the producer of fruits and vegetables and other perishable farm crops will have some relief from the frauds that have been and are still being perpetrated on them. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Maine [Mr. SNOW].

Mr. SNOW. Mr. Chairman, for the benefit of those Members of the House who came in after this discussion on the Summers bill started, I call attention to the fact that long and continued hearings were held on this bill before the Committee on Agriculture; that many producers and representatives of numerous producing organizations appeared before our committee in favor of this bill, and that during all of those hearings not one single person appeared before the committee in opposition to the bill in any way. Several statements have been made here to-day in opposition to the bill which I would like to answer, but time forbids. In a general way the Summers bill, if passed, will bring relief to at least a million vegetable and fruit farmers in this country and at the same time make it possible for the poorer people in the large cities to be beneficiaries when crops are abundant. This bill protects the fair commission merchant and dealer, and will put out of business the unfair commission merchant and dealer. [Applause.] It will require a very small outlay of money on the part of the United States Government, as it is practically self-supporting.

In view of the statements just made by the gentleman from St. Louis [Mr. COCHRAN], I wish he were now here to listen to my remarks. For his enlightenment let me say that this bill will prevent that vicious habit of dumping in large cities and will do more to make it possible for the poor people of his own city to enjoy fruits and vegetables when there is an abundant crop than any legislation yet devised. Unfair commission merchants and dealers in large centers, when there is a glut in the market or when prices have suddenly dropped, wrongfully reject carload shipments and let them decay on the sidings until the health authorities are forced to issue dumping orders. In this way the consumers are wrongfully deprived of the benefits of abundant crops at reasonable prices and the producing farmers are made the goats. The Summers bill will put an end to this pernicious practice.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. SNOW. I yield.

Mr. EATON of Colorado. Why do you not in section 3, which refers to that, include dealers and brokers? Why limit it only to commission merchants?

Mr. SNOW. I shall not attempt to go into the details of this bill at this time. I am only speaking in general terms.

Mr. EATON of Colorado. That is the gist of the bill.

Mr. SLOAN. Will the gentleman yield?

Mr. SNOW. Certainly.

Mr. SLOAN. In all of the evidence that was submitted to the committee, was there any evidence that related to either poultry or eggs?

Mr. SNOW. There was not. To continue, let me say that I am especially interested in this bill, coming as I do from a potato district, but this measure will protect farmers who raise any kind of vegetables or fruit.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. SNOW. With pleasure.

Mr. LaGUARDIA. In this instance let me say that I am in entire accord with the gentleman from Maine.

Mr. SNOW. I am delighted to learn that you are with us in this fight.

Mr. LARSEN. Mr. Chairman, will the gentleman yield?

Mr. SNOW. Yes; I yield to my colleague from Georgia.

Mr. LARSEN. The gentleman from Nebraska [Mr. SLOAN] asked with reference to testimony coming before the committee respecting poultry and eggs. If I remember correctly, there were statements made by members of the committee as to eggs and poultry transactions which had occurred within their knowledge.

Mr. SNOW. I think the gentleman is right, but I understood the gentleman from Nebraska to ask me if there had been any evidence presented before the committee relating to eggs and poultry. There is a vast distinction between statements made by members of the committee in executive session and evidence given by witnesses with the committee reporter present.

Mr. SLOAN. Whatever was said was not made of record, so that men interested in it could examine it and meet it. My proposition is that this particular branch has not had its day in court.

Mr. LARSEN. I think the statements made by the members of the committee were put in the report. I think they are in the record.

Mr. SNOW. To conclude. In my opinion this is one of the most meritorious bills that has been brought before this present session of Congress. It is not only in favor of the producer and farmer, but it will react to the benefit of the consumer in the large cities.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. BURTNESS. Mr. Chairman, there is not much to add to what has been so well said by several gentlemen, but I appeared before the committee in behalf of the measure and in view of the opposition that has developed rather unexpectedly this afternoon I deem it proper to say a few words in reply to some contentions that have been made.

The distinguished gentleman from Louisiana, Doctor ASWELL, claims that this is the worst bill that has been brought into the Congress by the Agriculture Committee. If I understood him correctly, he presented three arguments against it. One was that it would reduce competition among commission men and dealers, another that it would make the Government serve as a collection agency, and the third that it would interfere with the activities of the Farm Board.

I admit that it will reduce competition, but to what extent? It will eliminate from the competition all commission merchants, dealers, and brokers in perishable products who have not sufficient responsibility to pay the annual license fee of \$10. That is the competition that will be eliminated, and the only competition. And it would be in the best interests of the producers of this country if that type of competition were eliminated. We do not want irresponsible dealers or commission merchants of that sort continuing to bid for our farm products by means of the mail, by means of the wire, by means of long-distance telephone, and other methods available in the modern business world.

What about the charge that it will operate to make the Government a collection agency? That is not true at all. I have not the time here to set out everything which, under this bill, is regarded as unfair conduct.

True, the failure to make payments as agreed is one, but the Government does not assume any responsibility of collecting anything for anyone. The possibility of losing their licenses will tend to make the commission men and the dealers live up to their contracts. This is the purpose of many laws, but it does not make the Government a collector.

If you will turn to page 19 of the bill you will find seven practices which are declared to be unlawful. Take subdivision 1, for instance, which reads:

For any commission merchant or broker to make any fraudulent charge in respect of any perishable agricultural commodity received in interstate or foreign commerce.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield there?

Mr. BURTNESS. Yes.

Mr. EATON of Colorado. Why do you not include the dealers there?

Mr. BURTNESS. I am not a member of the Agricultural Committee reporting the bill. I would suggest that you submit your technical questions to members of the committee.

As a second illustration, I read subdivision 4:

For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement concerning the condition, quality, quantity, or disposition of, or the condition of the market for, any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold or contracted to be bought or sold in such commerce by such dealer; or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account promptly in respect of any such transaction in any such commodity to the person with whom such transaction is had.

Now, those are two typical cases where this law would apply showing the responsibility placed upon the licensee. A producer or cooperative association in my State of North Dakota, for instance, sends 10 carloads of potatoes to a dealer down in St. Louis or Peoria, Ill., or some city in Iowa. The carloads have been bought by a dealer through exchange of letters or wires with the understanding they are to grade United States No. 1, at a certain price f. o. b. in my home State, for shipment to the point designated. During the time it takes those potatoes to reach their destination the market has fallen and the quotations have gone downward.

Now, what is the present situation with dealers who are not responsible and not absolutely on the square? Human nature is such that some of them can not resist the temptation to find some excuse for not accepting the potatoes. Almost any excuse will result in a big loss to the shipper, for it is impractical for him to enforce his legal remedy. There is an incentive to claim that when the potatoes arrived they were partly rotted or frozen and wet, or that they did not in some material factor grade up to the standard of United States No. 1. If that statement is false, that type of dealer or commission merchant should have his license taken away from him, as contemplated by this bill, for he has no right to continue in business. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN. Mr. Chairman and ladies and gentlemen of the committee, this bill not only enables the producers of perishable products to protect themselves against dishonest handlers of his products but enables merchants and handlers of the products to protect themselves against unfair competition with men engaged in the same business. Every profession and line of business should be able to so regulate its affairs as to stamp out disreputable and fraudulent transactions but, unfortunately, business men as a rule do not have such power and authority. This bill would give the Secretary of Agriculture the right to license certain classes of business men and such regulatory authority as to force them to deal honestly with their customers, who by the very nature of their transactions are entirely at their mercy.

Commission merchants and others handling farm products are frequently in competition with men who will not play fair and who take advantage of the trade. Honest men are often at a disadvantage in trying to compete in business with dishonest men in the same line. Not only this, but those in the producing section, who are little accustomed to shipping commodities, are at the mercy of the unscrupulous man in the large community who handles their products through such transactions.

The gentleman from South Carolina [Mr. HARE] said that the penalty to be imposed upon the man would not be effective in the event that this bill is passed. I think he is in error. The difficulty of the matter is this: Under provisions of the law as now written, if a man violates the law he may or may not be punished, although he has cheated some poor fellow out of two or three hundred dollars. So small an amount is considered a trivial matter and he may never be prosecuted. The victim may say, for instance, "I can not afford to go to Chicago, hundreds of miles away, to prosecute one for a small violation of law. I have already lost enough, and I do not want to get mixed up in the courts."

The man who commits unfair practice knows this as well as the producer victim. If he is prosecuted he may not be



convicted, and even if he is convicted he may not be so greatly damaged as the person who prosecuted him.

Now instead of letting this man who has been guilty of fraudulent practice go on and swindle others for years after committing the crime, he will not, under this law, be permitted to continue his rascality or operation of business, and make enough money out of others to pay his fine.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield there?

Mr. LARSEN. Yes.

Mr. KETCHAM. Considering the effectiveness of the two methods, which does the gentleman think would be the more effective?

Mr. LARSEN. I think perhaps the law proposed would be far more effective than the present law. But in addition to that, we will have both of them. But, as before stated, I do not believe what the gentleman from South Carolina says about the repeal of the present law is well founded.

The CHAIRMAN. The Committee on Agriculture reported an amendment striking out all after the enacting clause and inserting another section, which may be considered as one amendment.

Mr. BURTNESS. Mr. Chairman, will that be offered as one amendment?

The CHAIRMAN. Yes; as one amendment.

Mr. BURTNESS. Would it be in order to ask unanimous consent that the committee amendment be read section by section for amendment, as in the case of an original bill?

Mr. STRONG of Kansas. I object.

The CHAIRMAN. To which request does the gentleman object?

Mr. BURTNESS. I just asked the Chair if I could submit that request.

Mr. TILSON. The gentleman will lose no rights. It is all one amendment. An amendment can be offered to any section of it.

Mr. BURTNESS. Then I have no request to make.

The CHAIRMAN. Without objection, the Clerk will report the committee amendment.

There was no objection.

The Clerk read as follows:

Strike out all after the enacting clause, and insert the following:

That when used in this act—

(1) The term "person" includes individuals, partnerships, corporations, and associations;

(2) The term "Secretary" means the Secretary of Agriculture;

(3) The term "interstate or foreign commerce" means commerce between any State or Territory, or the District of Columbia, and any place outside thereof; or between points within the same State or Territory, or the District of Columbia but through any place outside thereof; or within the District of Columbia;

(4) The term "perishable agricultural commodity" means any of the following, whether or not frozen or packed in ice: Fresh fruits and fresh vegetables of every kind and character, live or dressed poultry, and eggs;

(5) The term "commission merchant" means any person engaged in the business of receiving in interstate or foreign commerce any perishable agricultural commodity for sale, on commission, or for or on behalf of another;

(6) The term "dealer" means any person engaged in the business of buying or selling in carloads any perishable agricultural commodity in interstate or foreign commerce, except that (A) no producer shall be considered as a "dealer" in respect of sales of any such commodity of his own raising; (B) no person buying any such commodity solely for sale at retail shall be considered as a "dealer" in respect of any such commodity in any calendar year until his purchases of such commodity in carloads in such year are in excess of twenty; and (C) no "packer" as defined in the packers and stockyards act, 1921, as amended, in respect of any transactions in live or dressed poultry and/or eggs, shall be considered as a "dealer." Any person not considered as a "dealer" under clauses (A) and (B) may elect to secure a license under the provisions of section 3, and in such case and while the license is in effect such person shall be considered as a "dealer." As used in this paragraph, the term "in carloads" includes corresponding wholesale or jobbing quantities as defined for any such commodity by the Secretary;

(7) The term "broker" means any person engaged in the business of negotiating sales and purchases of any perishable agricultural commodity in interstate or foreign commerce for or on behalf of the vendor or the purchaser, respectively;

(8) A transaction in respect of any perishable agricultural commodity shall be considered in interstate or foreign commerce if such commodity is part of that current of commerce usual in the trade in that commodity whereby such commodity and/or the products of such commodity are sent from one State with the expectation that they will

end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where sale is either for shipment to another State, or for processing within the State and the shipment outside the State of the products resulting from such processing. Commodities normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this act.

#### UNFAIR CONDUCT

SEC. 2. It shall be unlawful in or in connection with any transaction in interstate or foreign commerce—

(1) For any commission merchant or broker to make any fraudulent charge in respect of any perishable agricultural commodity received in interstate or foreign commerce;

(2) For any dealer to reject or fail to deliver in accordance with the terms of the contract without reasonable cause any perishable agricultural commodity bought or sold or contracted to be bought or sold in interstate or foreign commerce by such dealer;

(3) For any commission merchant to discard, dump, or destroy without reasonable cause any perishable agricultural commodity received by such commission merchant in interstate or foreign commerce;

(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement concerning the condition, quality, quantity, or disposition of, or the condition of the market for, any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold or contracted to be bought or sold in such commerce by such dealer; or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account promptly in respect of any such transaction in any such commodity to the person with whom such transaction is had;

(5) For any commission merchant, dealer, or broker, for a fraudulent purpose, to represent by word, act, or deed that any perishable agricultural commodity received in interstate or foreign commerce was produced in a State or in a country other than the State or the country in which such commodity was actually produced;

(6) For any commission merchant, dealer, or broker, for a fraudulent purpose, to remove, alter, or tamper with any card, stencil, stamp, tag, or other notice placed upon any container or railroad car containing any perishable agricultural commodity, if such card, stencil, stamp, tag, or other notice contains a certificate under authority of any Federal or State inspector as to the grade or quality of the commodity contained in such container or railroad car or the State or country in which such commodity was produced; and

(7) For any commission merchant, dealer, or broker to conspire, combine, agree, or arrange with any other person to manipulate or control prices of any perishable agricultural commodity in interstate or foreign commerce.

#### LICENSES

SEC. 3. (a) After the expiration of six months after the approval of this act no person shall at any time carry on the business of a commission merchant, dealer, or broker without a license valid and effective at such time. Any person who violates any provision of this subdivision shall be liable to a penalty of not more than \$500 for each such offense and not more than \$25 for each day it continues, which shall accrue to the United States and may be recovered in a civil suit brought by the United States.

(b) Any person desiring any such license shall make application to the Secretary. The Secretary may by regulation prescribe the information to be contained in such application. Upon the filing of the application, and annually thereafter, the applicant shall pay a fee of \$10.

SEC. 4. (a) Whenever an applicant has paid the the prescribed fee the Secretary, except as provided in subdivision (b) of this section, shall issue to such applicant a license, which shall entitle the licensee to do business as a commission merchant and/or dealer and/or broker unless and until it is suspended or revoked by the Secretary in accordance with the provisions of this act, but said license shall automatically terminate unless the annual fee is paid within 30 days after notice has been mailed that payment is due.

(b) The Secretary shall refuse to issue a license to an applicant if after notice and hearing he finds (1) that the applicant has previously been responsible in whole or in part for any violation of the provisions of section 2 for which a license of the applicant, or the license of any partnership, association, or corporation in which the applicant held any office or, in the case of a partnership, had any share or interest, was revoked, or (2) in case the applicant is a partnership, association, or corporation, that any individual holding any office or, in the case of a partnership, having any interest or share in the applicant, had previously been responsible in whole or in part for any violation of the provisions of section 2 for which the license of such individual, or of any partnership, association, or corporation in which such person held any office, or, in the case of a partnership, had any share or interest, was revoked. Notwithstanding the foregoing provisions, the Secretary, in the case of such applicant, may issue a

license if the applicant furnishes a bond or other satisfactory assurance that his business will be conducted in accordance with the provisions of this act, but such license shall not be issued before the expiration of one year from the date of such revocation.

#### LIABILITY TO PERSON DAMAGED

SEC. 5. (a) If any commission merchant, dealer, or broker violates any provision of paragraph (1), (2), (3), or (4) of section 2 he shall be liable to the person or persons injured thereby for the full amount of damages sustained in consequence of such violation.

(b) Such liability may be enforced either (1) by complaint to the Secretary as hereinafter provided, or (2) by suit in any court of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, and the provisions of this act are in addition to such remedies.

#### COMPLAINT AND INVESTIGATION

SEC. 6. (a) Any person complaining of any violation of any provision of section 2 by any commission merchant, dealer, or broker may, at any time within nine months after the cause of action accrues, apply to the Secretary by petition, which shall briefly state the facts, whereupon, if, in the opinion of the Secretary, the facts therein contained warrant such action, a copy of the complaint thus made shall be forwarded by the Secretary to the commission merchant, dealer, or broker, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be prescribed by the Secretary.

(b) Any officer or agency of any State or Territory having jurisdiction over commission merchants, dealers, or brokers in such State or Territory or any employee of the United States Department of Agriculture or any interested person, may file, in accordance with rules and regulations of the Secretary, a complaint of any violation of any provision of section 2 by any commission merchant, dealer, or broker, and may request an investigation of such complaint by the Secretary.

(c) If there appears to be, in the opinion of the Secretary, any reasonable grounds for investigating any complaint made under this section, the Secretary shall investigate such complaint and may, if in his opinion the facts warrant such action, have said complaint served by registered mail or otherwise on the person concerned and afford such person an opportunity for a hearing thereon before a duly authorized examiner of the Secretary in any place in which the said person is engaged in business.

(d) After an opportunity for a hearing on a complaint the Secretary shall determine whether or not the commission merchant, dealer, or broker has violated any provision of section 2.

#### REPARATION ORDER

SEC. 7. (a) If after a hearing on a complaint made by any person under section 6 the Secretary determines that the commission merchant, dealer, or broker has violated any provision of paragraph (1), (2), (3), or (4) of section 2, he shall, unless the offender has already made reparation to the person complaining, determine the amount of damage, if any, to which such person is entitled as a result of such violation and shall make an order directing the offender to pay to such person complaining such amount on or before the date fixed in the order.

(b) If any commission merchant, dealer, or broker does not comply with an order for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within one year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the commission merchant, dealer, or broker, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent state of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit.

#### SUSPENSION AND REVOCATION OF LICENSE

SEC. 8. Whenever the Secretary determines, as provided in section 6, that any commission merchant, dealer, or broker has violated any of the provisions of section 2, he may publish the facts and circumstances of such violation and/or, by order, suspend the license of such offender for a period not to exceed 90 days, except that, if the violation is a flagrant or repeated violation of such provisions, the Secretary may, by order, revoke the license of the offender.

#### ACCOUNTS AND RECORDS

SEC. 9. Every commission merchant, dealer, and broker shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stockholding or otherwise. If such accounts, records, and memoranda are not so kept, the Secretary may publish the facts and circumstances and/or, by order, suspend the license of the offender for a period not to exceed 90 days.

#### EFFECTIVE DATE AND FINALITY OF ORDER

SEC. 10. Any order of the Secretary under this act other than an order for the payment of money shall take effect within such reasonable time, not less than 10 days, as is prescribed in the order, and shall continue in force until his further order, or for a specified period of time, accordingly as it is prescribed in the order, unless such order is suspended, modified, or set aside by the Secretary or is suspended, modified, or set aside by a court of competent jurisdiction. Any such order of the Secretary, if regularly made, shall be final, unless before the date prescribed for its taking effect application is made to a court of competent jurisdiction by the commission merchant, dealer, or broker against whom such order is directed to have such order set aside or its enforcement, operation, or execution suspended or restrained.

#### INJUNCTIONS

SEC. 11. For the purposes of this act the provisions of all laws relating to the suspending or restraining of the enforcement, operation, or execution, or the setting aside in whole or in part, of the orders of the Interstate Commerce Commission are made applicable to orders of the Secretary under this act and to any person subject to the provisions of this act.

#### GENERAL PROVISIONS

SEC. 12. The Secretary may report any violation of this act for which a civil penalty is provided to the Attorney General of the United States, who shall cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States without delay. The costs and expenses of such proceedings shall be paid out of the appropriation for the expenses of the courts of the United States.

SEC. 13. (a) In the investigation of complaints under this act, the Secretary or his duly authorized agents shall have the right to inspect such accounts, records, and memoranda of any commission merchant, dealer, or broker as may be material for the determination of any such complaint. If any such commission merchant, dealer, or broker refuses to permit such inspection, the Secretary may publish the facts and circumstances and/or, by order, suspend the license of the offender until permission to make such inspection is given.

(b) The Secretary, or any officer or employee designated by him for such purpose, may hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, receive evidence, and require by subpoena the attendance and testimony of witnesses and the production of such accounts, records, and memoranda as may be material for the determination of any complaint under this act.

(c) In case of disobedience to a subpoena, the Secretary or any of his examiners may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of accounts, records, and memoranda. Any district court of the United States within the jurisdiction of which any hearing is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring the person to appear before the Secretary or his examiner or to produce accounts, records, and memoranda if so ordered, or to give evidence touching any matter pertinent to any complaint; and any failure to obey such order of the court shall be punished by the court as a contempt thereof.

(d) The Secretary may order testimony to be taken by deposition in any proceeding or investigation or incident to any complaint pending under this act at any stage thereof. Such depositions may be taken before any person designated by the Secretary and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition or under his direction and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce accounts, records, and memoranda in the same manner as witnesses may be compelled to appear and testify and produce accounts, records, and memoranda before the Secretary or any of his examiners.

(e) Witnesses summoned before the Secretary or any officer or employee designated by him shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like service in the courts of the United States.

(f) No person shall be excused from attending, testifying, answering any lawful inquiry, or deposing, or from producing any documentary evidence, before the Secretary or any officer or employee designated by him, in obedience to the subpoena of the Secretary, or any such officer or employee, in any cause or proceeding, based upon or growing out of any alleged violation of this act, or upon the taking of any deposition herein provided for, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty of forfeiture for or on account of any transaction, matter, or thing, concerning which he is compelled under oath so to testify, or produce evidence, documentary or otherwise, before the Secretary or any officer or employee designated by him, in obedience to the subpoena of the Secretary, or any such officer or employee, or upon the taking of any such



deposition, or in any such cause or proceeding: *Provided*, That no person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 14. The Secretary is hereby authorized, independently and in cooperation with other branches of the Government, State, or municipal agencies, and/or any person, whether operating in one or more jurisdictions, to employ and/or license inspectors to inspect and certify, without regard to the filing of a complaint under this act, to any interested person the class, quality, and/or condition of any lot of any perishable agricultural commodity when offered for interstate or foreign shipment or when received at places where the Secretary shall find it practicable to provide such service, under such rules and regulations as he may prescribe, including the payment of such fees and expenses as will be reasonable and as nearly as may be to cover the cost for the service rendered: *Provided*, That fees for inspections made by a licensed inspector, less the percentage thereof which he is allowed by the terms of his contract of employment with the Secretary as compensation for his services, shall be deposited into the Treasury of the United States as miscellaneous receipts; and fees for inspections made by an inspector acting under a cooperative agreement with a State, municipality, or other person shall be disposed of in accordance with the terms of such agreement: *Provided further*, That expenses for travel and subsistence incurred by inspectors shall be paid by the applicant for inspection to the disbursing clerk of the United States Department of Agriculture to be credited to the appropriation for carrying out the purposes of this act: *And provided further*, That certificates issued by such inspectors shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained.

SEC. 15. The Secretary may make such rules, regulations, and orders as may be necessary to carry out the provisions of this act, and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, binding, telegrams, telephones, law books, books of reference, publications, furniture, stationery, office equipment, travel, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this act in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose. This act shall not abrogate nor nullify any other statute, whether State or Federal, dealing with the same subjects as this act; but it is intended that all such statutes shall remain in full force and effect except in so far only as they are inconsistent herewith or repugnant hereto.

SEC. 16. In construing and enforcing the provisions of this act the act, omission, or failure of any agent, officer, or other person acting for or employed by any commission merchant, dealer, or broker, within the scope of his employment or office, shall in every case be deemed the act, omission, or failure of such commission merchant, dealer, or broker as that of such agent, officer, or other person.

#### SEPARABILITY

SEC. 17. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

#### SHORT TITLE

SEC. 18. This act may be cited as the perishable agricultural commodities act, 1930.

Mr. HAUGEN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the committee amendment by Mr. HAUGEN: Page 17, line 20, after the semicolon following the word "raising," insert the word "and."

The amendment to the committee amendment was agreed to. Mr. HAUGEN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the committee amendment by Mr. HAUGEN: Page 17, line 24, after the word "twenty," strike out down through and including the word "dealers," on page 18, line 3.

The amendment to the committee amendment was agreed to. Mr. HAUGEN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. HAUGEN: Page 19, after line 5, insert a new paragraph, as follows:

"9. No packer as defined in the packer and stockyards act, 1921, as amended, in respect of transactions in live or dressed poultry and/or eggs, shall be considered as a commission merchant, dealer, or broker."

The amendment to the committee amendment was agreed to. Mr. HAUGEN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. HAUGEN: Page 24, after subsection (d), add a new subsection, (e), as follows:

"In case complaint is made by a nonresident of the United States before any action is taken thereon, that the complainant shall be required to furnish a bond of double the amount of the claim, the bond to be conditioned upon the payment of costs, including attorneys' fees, of respondents in case of failure to sustain the case."

Mr. ADKINS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, ladies and gentlemen of the committee, in discussing the matter, several Members thought that some unscrupulous dealer outside of the United States would be claiming discounts, rebates, and so forth, and might abuse the right by complaining to the department, and having the department continually investigating commission merchants, and in order that that might be obviated, this amendment to the committee amendment was proposed, that in the event complaint was brought, a bond to cover the costs would have to be furnished, and they would have to pay the costs provided they did not make out a case. Now, if a man were honest and had a just complaint, he will suffer no hardship, but this provision would be a deterrent to some unscrupulous dealer outside of the country.

Mr. HARE. As I understand it, this amendment to the committee amendment applies only to a producer or a complainant outside of the territorial boundaries of the United States?

Mr. ADKINS. Yes. Outside of the United States. I think it is a good provision.

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. HAUGEN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. HAUGEN: Page 20, line 24, strike out subparagraph 1, section 2.

Mr. FULMER. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. The gentleman from South Carolina [Mr. FULMER] offers a perfecting amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered to the committee amendment by Mr. FULMER: Page 20, line 25, after the word "arrange" strike out "with any other person" and insert "among themselves"; so that, as amended, the lines will read "for any commission merchant, dealer, or broker to conspire, combine, agree, or arrange among themselves to manipulate or control," etc.

The CHAIRMAN. In the opinion of the Chair, the amendment offered by the gentleman from South Carolina [Mr. FULMER] is a perfecting amendment and is in order.

Mr. JONES of Texas. May I suggest that the words "commission merchant, dealer, or broker" should be in the plural. It requires more than one to conspire or agree among themselves.

Mr. FULMER. Yes; that is correct.

Mr. JONES of Texas. I think the amendment offered by the gentleman from South Carolina [Mr. FULMER] should read "commission merchants, dealers, or brokers."

Mr. FULMER. Mr. Chairman, I ask unanimous consent to modify the amendment offered by me to read "commission merchants, dealers, or brokers."

The CHAIRMAN. The gentleman from South Carolina [Mr. FULMER] asks unanimous consent to modify the amendment offered by him to read "commission merchants, dealers, or brokers." Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 20, line 24, strike out the words "merchant, dealer, or broker," and insert the words "merchants, dealers, or brokers."

Mr. LAGUARDIA. Will the gentleman yield for a parliamentary inquiry?

Mr. FULMER. Yes.

Mr. LAGUARDIA. As I understand the situation, the gentleman from Iowa [Mr. HAUGEN] offered an amendment to strike out paragraph 7. The gentleman from South Carolina [Mr. FULMER] now offers an amendment perfecting paragraph 7. Should not the amendment offered by the gentleman from Iowa be disposed of first?

The CHAIRMAN. In the opinion of the Chair the perfecting amendment should be disposed of first.

Mr. HAUGEN. I think the gentleman's amendment should have been offered first, in order that the paragraph might have been perfected and then my amendment offered.

Mr. LAGUARDIA. I want to be heard in opposition to the gentleman's amendment striking out the paragraph.

Mr. HAUGEN. The committee does not think this subsection is necessary.

Mr. LAGUARDIA. Will the gentleman from South Carolina yield?

Mr. FULMER. Yes.

Mr. LAGUARDIA. I want to ask the gentleman if he really intends to do what his amendment might do. He strikes out the words "with any other person." I can understand the gentleman's purpose in providing against a combination or conspiracy among themselves, but it is very easy for any of the classes mentioned in paragraph 7 to conspire with a third person not mentioned in the paragraph. I think the gentleman would accomplish what he desires if he would provide "with any other person or among themselves," because to conspire you need two or more persons. It is quite possible that commission merchants might conspire among themselves and a commission merchant might conspire with a dealer or broker, but, on the other hand, you might have a retailer, you might have a health officer, and you might have lots of other persons conspire together and defeat the very purpose the gentleman seeks to accomplish in paragraph 7.

Mr. FULMER. I do not think there would be any inclination on the part of a producer or anyone on the outside to conspire with a commission merchant or broker who attempted to fix prices.

Mr. LAGUARDIA. He might conspire with a banker. Suppose the market were glutted and suppose a banker should say to a commission merchant, "The only way you can save the paper you have in our bank, Mr. Commission Merchant, is by dumping," and he goes ahead and conspires with them to dump his produce.

Mr. FULMER. I think it would be better like it is.

The CHAIRMAN. Without objection, the Clerk will again report the modified amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 20, in line 24, strike out the words "merchant, dealer, or broker" and insert the words "merchants, dealers, or brokers," and strike out, in line 25, the words "with any other person" and insert "among themselves."

Mr. ADKINS. Mr. Chairman, I rise in opposition to this amendment. This section was copied from the Illinois statutes. The Illinois statutes had no statute providing for combinations to control prices and then this was put in the law. We found after it was incorporated into law that we have a statute which takes care of this proposition. I do not recall an instance where this provision was ever used to prosecute anybody.

Mr. FULMER. I understand the gentleman is opposed to subsection 7?

Mr. ADKINS. Yes.

Mr. FULMER. Suppose we let this amendment take its course, and then the gentleman can speak on the amendment offered by the gentleman from Iowa to strike out subsection 7. There is no controversy about this perfecting amendment.

Mr. ADKINS. I am rising in opposition to it. I hope it will be defeated and I am trying to tell you why. The shippers who

are interested in shipping raised this objection to this clause, that if they are guilty of conspiracy we have conspiracy laws to take care of them, but these associations—they may be cooperatives or they may be individuals—may be directing the movement of strawberries, for instance. This is strawberry time. If they found there were too many strawberries being sent to the New York market or to the Philadelphia market, they might check up the consignments that were on the road and they might deflect a part of these shipments to some other market, so as not to break down the market in New York.

With this section they felt they would be subject to conspiracy and subject to all the fines, and so forth, and it was at their earnest request that it is sought to be taken out. I think the amendment offered by the gentleman from Iowa should be adopted and the amendment offered by the gentleman from South Carolina (Mr. FULMER) should be defeated.

Mr. FULMER. In answer to the gentleman from Illinois, let me say I hope the members of the committee will not become confused on the amendments they are to vote on. This is a perfecting amendment to subsection 7 and then we will have a chance to vote on the amendment offered by the gentleman from Iowa to strike out the paragraph, along the line of the argument of the gentleman from Illinois.

Mr. ADKINS. If the paragraph is amended by adopting the gentleman's amendment where are we in offering our substitutes?

Mr. FULMER. I will answer the gentleman. You have an amendment pending proposing to strike out this section after it has been perfected.

Mr. ADKINS. It is weakening the present law and proposing an even more drastic law.

The CHAIRMAN. The question is on the amendment of the gentleman from South Carolina [Mr. FULMER].

The question was taken; and on a division (demanded by Mr. FULMER) there were—ayes 10, noes 45.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I desire recognition in opposition to the amendment offered by the gentleman from Iowa.

The CHAIRMAN. Without objection, the Clerk will again report the amendment of the gentleman from Iowa.

The Clerk read as follows:

Amendment by Mr. HAUGEN: Page 20, line 24, strike out subsection 7 of section 2.

Mr. LAGUARDIA. Mr. Chairman, I want to appeal to the friends of this bill to meet us at least halfway. In all these questions of marketing you must consider both sides of the question, the producer and the consumer. You have a provision in paragraph 2 which would prevent or tend to prevent the willful dumping of perishable products. There is no objection to this, because we have suffered in the cities and have been deprived of good crops and low prices by the system of dumping, so that the consumer did not get the benefit and neither did the producer. But in all fairness I submit, gentlemen, in a bill of this kind you should at least give us protection from a conspiracy among these dealers to jack up prices at the expense of the consumers. I will go along with you on this bill, and all that I ask is not to take out paragraph 7, which is the only protection we have.

Suppose a commission merchant and a dealer and a broker conspire in violation of law to artificially fix prices, we would have no protection at all if you are going to make it all one way.

Mr. HAUGEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. HAUGEN. If they do so conspire they are liable under existing antitrust laws.

Mr. LAGUARDIA. Yes.

Mr. HAUGEN. Why should we extend this authority to two branches of the Government so that they might pass the buck?

Mr. LAGUARDIA. I will tell the gentleman why, because the machinery to proceed under the antitrust law is so slow-moving that it would not be effective in a case of this kind, and here where you have the licensing, where you have the regulation, it seems to me, in all fairness, a provision of this kind should find a place in the law.

Mr. HAUGEN. Under this bill they would come in under the licensing system, and under existing laws in respect to conspiracy and other violations of the antitrust laws.

Mr. LAGUARDIA. If they did conspire, we could take their license away under this provision, and that is at least something.

Mr. HAUGEN. And you could prosecute under the other law.

Mr. LAGUARDIA. I appeal to the friends of this bill to leave in this section; otherwise we will be constrained to oppose the whole bill.



Mr. BURTNESS. Will the gentleman yield for a question?

Mr. LAGUARDIA. Yes.

Mr. BURTNESS. Would this language in the proposed bill cover a situation such as this? A number of shipments of strawberries, we will say, go to different commission merchants. It is the duty of these commission merchants, of course, to get as good a price as they can for the person who consigns the strawberries to them. They know that these strawberries are there, and one commission merchant asks the other what he expects to ask for them, and the other commission merchant informs him. The other man says, "I think that is about right. I think that is about what they are worth, and I will ask the same price." I want to ask the gentleman, first, whether, if this language stays in the bill and they act in that way, they would be violating this provision, and they are violating the provision, then, of course, it would be grounds for canceling their licenses. Does the gentleman from New York want to prevent them from doing that?

Mr. LAGUARDIA. In his hypothetical question, does the gentleman assume these merchants control all of that market?

Mr. BURTNESS. Not necessarily; they might or they might not.

Mr. LAGUARDIA. If they do not they would not come under the provisions of this law. If they control the whole market, of course they would.

Mr. BURTNESS. The language is so broad that it seems to cover transactions and matters that might seem entirely legitimate, and this is why I am inclined to favor the motion of the chairman of the committee, although I appreciate the position taken by the gentleman, as a matter of general fairness.

Mr. LAGUARDIA. Exactly; you can not have this bill so one sided as to make it inoperative and unfair.

Mr. ADKINS. Mr. Chairman, I appreciate the position of the gentleman from New York [Mr. LAGUARDIA], and I do not think the thing he has in mind would occur under this bill with this subsection out.

Now, here was a situation that arose some four or five years ago in Warren County, Ky., and this was published in all the agricultural papers. They raise there a large amount of strawberries, and the various individuals and shipping associations were shipping their berries, and they found they were running into an overloaded market in a great many cases. They found there were more strawberries in these markets than could be taken care of. Your consumers in these markets did not get all the benefit of this. They got the berries at a less price temporarily, but as a result of this many of them went bad. Now, something had to be done to meet this situation, because people will only buy strawberries in strawberry time at so high a price. So these producers put their heads together and employed a man to keep track of the shipments of strawberries from different parts of the strawberry area of the country. He got this information every morning. He had the facilities for doing this, and if he saw too many strawberries headed for New York, so that the dumping process might have to be resorted to, he would then divert so many carloads to Philadelphia or to some other town.

Mr. LAGUARDIA. That is perfectly all right. That is good business.

Mr. ADKINS. These people are contending that with this provision in the bill if they should get together and do this they would be subject to the penalties in this bill. Of course, it would be in the interest of stabilization of markets and stabilization of prices, but they fear they would be subject to the penalties of the bill if two or more undertook to stabilize the market as outlined above. If these men are right in their contention, section 7 will operate to the detriment of both producer and consumer.

Mr. LAGUARDIA. In order to sustain an indictment or a charge of conspiracy the object of the conspiracy must be an unlawful act.

Mr. ADKINS. Yes.

Mr. LAGUARDIA. The diversion of shipments of products in and of itself is not an unlawful act.

Mr. ADKINS. By reason of this you stabilize the price. That is the thing that they are afraid of, the very fact that they did that stabilization in the way of orderly marketing—whether or not that would be, they would be subject to this penalty.

Mr. LAGUARDIA. Orderly marketing is not a crime, and to agree to something that is not criminal is not a conspiracy.

Mr. ADKINS. We specify what it consists of, and when they stabilize the price it does keep the price up.

Mr. MICHENER. What is orderly marketing? This section clearly contemplates a conspiracy for the express purpose of controlling the market. It seems to me that the thing the gentleman said could be done is in violation of the section.

Mr. ADKINS. And all of the marketing associations take that view of it. Orderly marketing as commonly used is distributing a commodity around to the various marketing places in such a way as not to overload the market at one point and break the market, and not have enough at another point to meet the demand and raise the price there to the consumer.

Mr. LAGUARDIA. The section provides that you shall not manipulate or control prices.

Mr. ADKINS. In the case I put, it stabilizes the price and does not penalize consumer at one market, and does not penalize the producer at the other point where the market is overloaded. Taken as a whole, both producer and consumer are better off financially by having a stabilized market.

Mr. MICHENER. The very purpose is to secure a higher price to the producer. There is no exact definition of "orderly marketing."

Mr. LAGUARDIA. Instead of sending your product to one market you send it to another market in order to prevent glutting of the market. The purpose is not to manipulate the price.

Mr. MICHENER. They would not do that if it were not to manipulate the price.

Mr. FULMER. Mr. Chairman, I rise in opposition to the amendment offered by my good friend Mr. HAUGEN, chairman of the Agricultural Committee, wherein he proposes to strike out subsection 7.

I would like to say that the thing we hope to remedy under subsection 7, is that these commission merchants, brokers, and dealers, get together, combine and conspire to fix prices in buying from producers. The gentleman from Iowa makes a statement that there is a law and other machinery to take care of this. The Federal Trade Commission has the right to investigate attempts to create a monopoly, fix prices, and report to the Department of Justice. But as stated before, this commission apparently has sold out. They are giving their indorsements to various industries. You have investigations by the Federal Trade Commission and by the Senate now to investigate these combinations, and this is only offered as a second check in the hands of the Department of Agriculture, who will administer this law. If the Department of Agriculture find these people are combining and conspiring to control prices, they can report to the Department of Justice so that that department can take action.

These people under this bill are highly organized, about 2,500 in the organization, controlling 90 per cent of the business of the country. They stated before the committee that there are about 20,000 others who are outside giving them trouble and that they want to get rid of them. What will happen when they are able to weed out competition? They will call in the Federal Trade Commission and get their indorsement to rules and trade practices like the cottonseed-oil industry has done.

Orderly marketing does not fix high or low prices. The Farm Board has been trying to bring about orderly marketing in wheat and cotton, and the prices of these commodities have been going down. It is a matter of supply and demand. Section 2 provides that it shall be unlawful in or in connection with any transaction in interstate or foreign commerce, to do that which is contained in subsection 7. You take away from the Department of Agriculture the right to investigate any complaint that might be made, and some of these days you are going to find that in the shipment of perishable products, you are in the same fix that we are now, in connection with the cottonseed business in the South. I hope you will vote down this amendment and leave subsection 7 in the bill.

Mr. JONES of Texas. Mr. Chairman, I think this is a very important provision. This is a bill that has for its purpose, if it is enacted, the throwing of a cloak of protection around certain commission merchants, brokers, and dealers. They say it is necessary. Perhaps it is. We are giving them a special law for their benefit and protection as well as for the protection of the public. When you throw that cloak around the commission merchants, dealers, and brokers, if they undertake to get off in a corner and agree to manipulate or control prices, it seems to me at least they should have their special privilege taken away from them. It is idle to talk about prosecuting them under the antitrust laws of the country. What trust or monopoly is being prosecuted to-day? Here is a bill which provides for licensing, and when they are licensed they have certain privileges. Are you going to strike out from the provisions of the bill the only protection which the public has? What protection would the public have if you are going to permit them to get together and agree to manipulate or control the prices? That does not mean simply adjusting a situation, where there is congestion or something of that kind. When they conspire to control prices, to monopolize the situation, it seems to me it should at least be considered an unfair practice and their licenses should be canceled.

Mr. GLOVER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. GLOVER. If this provision in this bill is cut out, the consequence will be quite serious. Under the law it authorizes the licensing of brokers and dealers. Let us say that in a market like Chicago or St. Louis there would be perhaps 10. With this provision out, could not those 10 get together without violation of the statute and fix the price and skin everybody that shipped into that market?

Mr. JONES of Texas. It seems to me that if we license them to operate and then strike out of the bill the provision which forbids those things, in so far as this bill is concerned, there is nothing to prevent that action.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. ABERNETHY. Do I understand that there is a serious intention here on the part of some Members to cut out subsection (7)?

Mr. JONES of Texas. Oh, yes; the chairman of the committee has offered as a committee amendment an amendment to strike out section 7.

Mr. ABERNETHY. On what theory?

Mr. JONES of Texas. Ask him. Here is a bill where you are licensing people and giving them certain privileges under that license, which any other person who does not have a license can not exercise. Are you then going to let them go off into a corner and enter into an agreement to undertake to control the situation? I think this is something that the committee should seriously consider before striking it out. I do not have any particular objection to the bill as such, if you have this provision in there, whereby with that license and privilege they do not still have another privilege. With this provision stricken out of the bill, the Government licensing them to operate, how are you going to make them subject to the antitrust laws? The Government issues them a license to do a certain thing. How can the Government complain if they do it? At any rate, the quickest way to stop such an unfair practice would be the simple method of canceling licenses.

Mr. HARE. Mr. Chairman, in view of statements made that paragraph 7, section 2, of the bill is unnecessary, I would like to read it into the RECORD. It is as follows:

It shall be unlawful for any commission merchant, dealer, or broker to conspire, combine, agree, or arrange with any other person to manipulate or control prices of any perishable agricultural commodity in interstate or foreign commerce.

It is contended by some that this provision ought to be stricken out, saying that it is unnecessary for the reason that if commission merchants, dealers, or brokers should combine for the purpose named they could be prosecuted under the antitrust laws. This may be true, but suppose you leave this out and, under other provisions of the bill, issue license to these commission merchants, dealers, and brokers, would they not be able to say that if they were brought into court under the antitrust law that they had been given a license, under an act of Congress, to do the very thing they are now prohibited to do? That is, they would be able to say, under the license given them by the Government, they would be able to combine or agree without a conspiracy to fix and determine the price of such farm products, both that to be paid the producer as well as that to be required of the consumer. If so, they would be able to defraud the producer and at the same time rob the consumer, and the licensees would be the only ones to profit by the law, for in actual operation the producer would certainly get less for his products and the consumer would certainly pay for them. It looks to me that if this provision is taken out of the bill the commission merchants, dealers, and brokers will have a free hand in fixing the price to the producer as well as the consumer—that is, they will be able to burn the candle at both ends.

Mr. Chairman, we heard at the beginning of the discussion this afternoon that this bill was designed to protect producers from unscrupulous commission merchants. We started out with the fact, alleged, that there were men in this country engaged in a business that was being conducted in an unscrupulous manner, and the committee brings before us a proposal to make that conduct illegal and punish those who violate the law. Yet they are saying by this amendment to strike out this provision of the bill that these same unscrupulous men, this gang which has been referred to as a "bunch of robbers," will be able to continue to combine, organize, manipulate, and defraud the very people the bill aims to protect.

Mr. ADKINS. For any of those things the gentleman speaks of the license could be taken away.

Mr. HARE. Yes; but that does not give the producer any relief.

Mr. ABERNETHY. Will the gentleman yield?

Mr. HARE. Yes.

Mr. ABERNETHY. I say this in all seriousness to the committee. If you take this section out, you give a monopoly to these commission men and allow them to carry on, and if you want to pass this bill with some of our votes over here, you better not pass this amendment.

Mr. HARE. I agree with you entirely.

Mr. ADKINS. The gentleman from South Carolina has use for this legislation?

Mr. HARE. You are correct in that statement, but I do not want paragraph 7 stricken out as proposed by this amendment.

Mr. ADKINS. Our people do not, but I think the country as a whole generally does. Does the gentleman think if this bill is defeated that this Congress will relieve that situation?

Mr. HARE. I believe that if this paragraph is taken out of the bill, the bill will mean nothing more than a sounding brass or tinkling cymbal to the fruit and vegetable growers of the country.

Here is a class of people admitted to be unscrupulous, and yet you say that we will take this provision out of the law because they will not combine with each other, because they are too high minded, too honest, too sincere, too much devoted to the people they are serving to combine. On the other hand, without this bill you admit they are unscrupulous enough to rob the people of the country who are producing perishable farm crops, and to this latter statement I subscribe.

I think this provision ought to stay in here, because, as I said in the beginning, I wanted it made so that I can support it, because I am heartily in favor of it. But I am not willing to support a proposition here when you say in the first instance that these men are unscrupulous and unworthy and unreliable, and then take out the provision by which you ought to protect the producers or the shipper against them.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HARE. Yes.

Mr. HOPE. Is not that provision in the bill passed three years ago?

Mr. HARE. The bill passed before has no licensing feature in it at all. It says here that if a man commits the offense of making any report which is unlawful or fraudulent he is subject to a fine and a penalty, and under the existing law I do not believe it refers to a conspiracy, as provided for in this bill, and for that reason I think the provision ought to stay in your bill.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. CHINDBLOM. Mr. Chairman, I ask unanimous consent that the gentleman may have one minute more. I would like to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHINDBLOM. The gentleman will concede that all the offenses included in this law are not crimes in themselves, natural crimes, but crimes which are created only by the statute.

Mr. HARE. Under this act?

Mr. CHINDBLOM. Yes; under this act. Does the gentleman favor the creation of a crime of conspiracy, mala prohibita? They are not crimes under our provisions of law. Does not the gentleman think he ought to go slow in creating conspiracy crimes, as in the case of crimes that are purely statutory and not crimes against people?

Mr. HARE. I think the gentleman did not hear my statement earlier this afternoon, and I assume he is not entirely familiar with the existing law, which makes it a penal offense, a criminal offense, for a commission merchant to knowingly and intentionally make a false representation with reference to a consignment made to him.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. HARE. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARE. The point I am making is that that same penalty ought to apply to this bill, because if it is a crime for me to perpetrate a fraud, the penalty ought to be such that I can be punished for that offense.

Now, it has been argued that the existing law will be in no way repealed or affected, and I am taking that in good faith, because I assume that the proponents of this bill have looked into it; and they have assured me that it will not affect the existing law; and if it does not affect the existing law, I want this bill to carry a somewhat similar provision, so that a commission man or a dealer or a broker might be punished for



defrauding the producers from which the consignment is received.

Mr. CHINDBLOM. But the gentleman will concede that he is adding a new category to crimes by adding conspiracy.

Mr. JONES of Texas. This does not provide a new crime. It simply lists it as unfair conduct.

Mr. CHINDBLOM. But the beginning of section 2 says it shall be unlawful to do so and so.

Mr. JONES of Texas. In that case the license may be taken away from them.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. QUIN. Mr. Chairman, I rise in opposition to the amendment.

I think it would be a serious mistake to take this provision out of the bill. You have a good bill now. What does the Chairman propose? You have certain things that are stated to be unfair conduct. Among them is that which is covered by subdivision 7 on page 20, which provides—

For any commission merchant, dealer, or broker to conspire, combine, agree, or arrange with any other person to manipulate or control prices of any perishable agricultural commodity in interstate or foreign commerce.

In my judgment there are certain things that a rascal would want to do. You have certain things designated as unfair conduct. A violation of this provision would take the license from such a concern that violates this provision.

Now, the Chairman proposes to allow the men to take the products from the vegetable and fruit farms of the United States, or have their brokers conspire to do what? Not to increase prices, but to lower prices; to lower the price that the farmer would get, and thus defraud the men who produce the commodity.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. QUIN. Yes.

Mr. MICHENER. Does this say "lower the prices"?

Mr. QUIN. You do not have to say "lower the prices." You know what they will do. Understand me, we have to proceed with some knowledge of human nature. We know people want goods in the United States at the lowest possible price from the producer, and to sell at the highest price to the consumer. You issue a license to the man engaged in certain lines of business to have a privilege as a broker in certain commodities. Tomatoes, peas, beans, strawberries, in fact, all vegetables and certain kinds of fruits that are shipped by the producers to the market.

The buyers come there and buy from them and ship to the eastern and northern markets. Who is it that will handle these vegetables? It will be the men included in section 7 of this bill. What does the chairman of this committee propose to do? He proposes to allow every one of those men to enter into a combine and conspiracy to rob that poor man back there on the farm that is raising these vegetables. It can not be argued any other way. I want to know who it was that inspired this amendment, which is asking to take out of this bill the very thing that will protect the poor man who raises the fruits and vegetables. Some men can have superior power under the license theory of this Government, which is all right; but this section now says, "You shall not conspire and combine to impose an injustice upon anybody in the United States." Here is a proposition to take this out, in order to invite all of the rascals that want to become brokers to come and rob the poor man that produces by his hard work and by the sweat of his brow, working day and night, producing the fruits and vegetables in this country, in order that they can fix the price so low that the producer will still be kept in poverty.

Mr. FULMER. Will the gentleman yield?

Mr. QUIN. I yield.

Mr. HAUGEN. Mr. Chairman, I ask that the gentleman have one more minute to answer a question. I yield him one more minute.

This amendment is at the suggestion of the producers. They have, through their representatives, been here for months asking to have the bill reported.

Mr. ABERNETHY. It will kill the bill if they insist upon it.

Mr. HAUGEN. I ask the gentleman from Mississippi [Mr. QUIN] to point out where this will do any harm as long as it is provided for in other acts. Is it necessary to incorporate the statutory provisions that apply in every act that is passed? Is it necessary to lodge its administration in two departments instead of one, which would simply give them an opportunity of passing the buck, and, as a result, neither of them would function?

Mr. QUIN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes, to answer the gentleman.

The CHAIRMAN. The gentleman from Mississippi [Mr. QUIN] asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. SPARKS. Will the gentleman yield?

Mr. QUIN. I yield for a question.

Mr. SPARKS. It has been stated that if subsection 7 is stricken out that provision is covered by the general law. Under such conditions the license of the brokers could not be taken away, could it? Section 7 would have to remain in the bill, and then if there was a violation their license could be taken away. Is that not correct?

Mr. QUIN. With section 7 in the bill it could be taken away from him.

Mr. SPARKS. But if they were prosecuted under the general law, it would not be ground for taking it away?

Mr. HAUGEN. If the subsection is retained and violated, it would be optional with the department to proceed to revoke the license under this section or the other department to prosecute under existing law, and, judging from experience, I fear would result in neither one functioning.

Mr. QUIN. I want to state to the chairman of this committee when the gentleman says the producers suggested this amendment that there are 30,000 producers in my district in Mississippi who raise vegetables that go by the railroads to Chicago, New York, and Philadelphia, and there is not one of them that wants this section eliminated. It is that group of men who want to rob my constituents who are trying to get this amendment passed. Any man who understands the hardships of the farmers of this country can understand who is back of this amendment. Of course my friend Mr. HAUGEN thinks it is the producers, but I say it is a wolf coming in sheep's clothing who has told him that. I practiced law for 18 years before I came to Congress and I know what a rascal wants to do. I know this desire to strike out this provision 7 is founded in rascality. It is backed by men who want to exploit and rob the farmers and evade the penalties of the law; that is, to have their licenses taken away. Why? So that they can combine and conspire to manipulate and, to do what else?—it is not in here—but to lower prices that would be paid the farmer. That is, to lower the price they have to pay for produce, these fruits and vegetables raised on the farms of Mississippi, Florida, Texas, and other States. We need not misunderstand what is contemplated by this amendment. This is a good bill. The bill is all right. Whatever general law there is on the statute books is not going to interfere with this bill. But when section 7 is taken out of this good bill, you are simply turning loose brokers to go out and rob the people of this country. Does any man want to do that? Do you want to give special privilege to any group of men to prey upon the public and exploit them, especially the hard-working people who produce the perishable fruits and vegetables of the United States? They have to work hard, not all the year around, but during certain seasons of the year they work all day and part of the night.

Then you want to allow some slick-tongued broker to come along—4, 5, or 10 of them—and conspire to rob those poor people out of their hard toil. No, my friends, we can not afford to do it. Let us kill this amendment and keep section 7 in your bill; let this bill pass and become a law and do justice by the farming people of this country. [Applause.]

Mr. HAUGEN. May I state to the gentleman, speaking of the producers, that the gentleman authorized to speak for the producers favored its elimination. Mr. Chaney, chairman trade relations committee, American Fruit & Vegetable Shippers' Association, and Mr. Samuel Fraser, secretary of the International Apple Association, were authorized to speak for all of them; and Mr. Chaney spent three or four days in an effort to have this subsection eliminated and finally succeeded in convincing the committee it should not be in the bill.

Mr. QUIN. He is falling into the trap of these wolves, and we can not afford to allow this section to be stricken out of the bill, because if we do it will permit price cutting and the robbing of our producers.

Mr. FULMER. Mr. Chaney is a dealer.

Mr. QUIN. Mr. Chairman, the gentleman from Iowa called him a producer.

Mr. HAUGEN. I said he was the spokesman and the one authorized by the producers to speak for the producers.

Mr. QUIN. I am informed that this very man is the president of this dealers' association, the big he-broker of them all.

Mr. FULMER. And he lives in New York.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WILLIAMSON. Mr. Chairman and gentlemen of the committee, it seems to me that the fear which has been expressed upon the floor of this House, that subdivision 7 of sec-

tion 2 might result in preventing a diversion of shipments of perishable farm products, is not justified. There is nothing in this section that in any way would prevent the orderly marketing of farm products. I do not think there is any question but that commission men can divert any shipment at any point and to any place they see fit, notwithstanding this section. It has nothing to do with that sort of thing. The only matter declared unlawful under this section is to enter into a conspiracy or agreement to fix prices, either lowering them or raising them or fixing them at a particular point.

Personally, I think this subdivision is a very valuable provision in this bill. It must not be forgotten that in this case you are licensing a certain class of dealers and that you are taking them out from under the general provisions of the law relating to conspiracies in restraint of trade by specifying in this bill what conduct shall be considered as unlawful. Among the things made unlawful is to enter into a conspiracy to control prices. Because you have taken them out from under the general law, and because you have licensed them, it is necessary to have a provision of this kind in the bill if you are going to have any control over them at all with respect to raising, lowering, or fixing prices.

The fact that we are licensing these dealers does not mean that we are giving them any privileges which they do not have now, but we are providing for control over them and taking away many of the privileges which they now have.

I fear that this provision will be construed as being exclusive, because we are here enacting a statute which recognizes a certain class of dealers, and which requires them to be licensed, just the same as we formerly required saloon keepers to be licensed. They are going to be regulated and controlled by this statute, and if you take out this provision, in my judgment you are not going to be able to prevent them from entering into agreements to fix prices pretty much to suit themselves. The very fact that the commission men want this subdivision out shows that they want the privilege of doing so.

Mr. ABERNETHY. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. ABERNETHY. Does not this take the very teeth out of the bill?

Mr. WILLIAMSON. I think to a certain extent it does, but, as I said before, I do not think it will in any way prevent the orderly marketing of farm products nor will it prevent their diversion to other points if there is congestion at the place to which they were originally consigned.

Mr. HOCH. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. HOCH. I agree with that part of the gentleman's statement, but it seems to me that the diversion spoken of instead of being in restraint of trade and being amenable to the antitrust laws might be the very opposite; that it might tend to promote trade instead of restraining trade.

Mr. WILLIAMSON. That is true, but this will not result in preventing the diversion of any products or prevent these men from handling their goods in any way they see fit.

Mr. HOCH. I agree with the gentleman in that, but I do not agree with the gentleman's latter statement that we have taken them out from under the antitrust laws by establishing a licensing system.

Mr. WILLIAMSON. That may be. However, I think we are taking some chances. The only punishment provided for a violation of section 2 is what? You will find it in subdivision (b) of the same section.

The only punishment provided is to take away the license. We are not going to reach them by any other method, and that is all we can do under the provisions of this bill. If you take away the restrictions of subsection 7, you can not even do that should they fix prices.

Mr. BURTNESS. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. BURTNESS. Has the gentleman considered the language at the bottom of page 32 and the beginning of page 33?

Mr. WILLIAMSON. Yes; but the language at the bottom of page 32 does not relate to section 2, because section 2 provides its own method of punishment for violating the provisions of section 2.

Mr. BURTNESS. But I refer to the contention made by the gentleman that the passage of this act as a whole will take these people out from under the operations of the antitrust laws. If it will do that, we had better kill the bill.

Mr. JONES of Texas. The language that the gentleman from North Dakota refers to relates to statutes dealing with the same subject and does not refer to the antitrust laws.

Mr. GARBER of Virginia. Mr. Chairman, if a new member of the committee may be permitted to make one general observation, I would like to make this one. It seems to me when we

get into a discussion on the floor here, we seem naturally to fall into the matter of beclouding the issue in hand by the introduction of much extraneous matter. I rise in the hope that in just a moment or two I may clarify one point.

In the first place, this provision under discussion was written into the bill for one reason. Let me illustrate: As a practical proposition, it is not an uncommon thing for a good many of us who are in the habit of shipping fresh fruit to consign to a given market a certain number of carloads of fruit on a given day, and we believe there have been instances frequently where the commission merchants would get together and agree upon a price for that fruit lower than what it ought to be. In other words, the price was beaten down through agreements and understandings among the commission men. This practice is what has called for this provision of the bill. Following the writing in of this provision the State horticultural societies of the different States, my own State in particular, raised the point that under the wording of the bill the Secretary of Agriculture would have great difficulty in interpreting this technical language, and therefore it would militate against anything that honest commission merchants might do to protect the shipper.

The language here is that it shall be unlawful and so forth for "commission merchants, dealers, and brokers to conspire, agree or arrange among themselves," or as the language is here, "with any other person, to manipulate or control prices."

Now, what is the practical application of this language?

If a given market, for instance, to-day will carry 15 carloads of peaches and if that is the maximum amount they can legitimately use, and 20 carloads of peaches are coming on that market, the responsible commission merchants believe they can not, under this language, get together as they do now and say among themselves, "Our market will consume 15 cars to-day and not 20, and therefore to protect our shippers we must keep 5 cars off the market to-day. You put a car in storage, you put a car in storage—we will have 5 cars go into storage and this will guarantee a much better price for the 15 cars actually demanded by the trade."

The commission merchants believe this technical language is not clear and is susceptible of an easy misinterpretation and that legitimate combining, legitimate agreeing, legitimate getting together for the protection of the shipper is apt to be misconstrued and will be prohibited under this proposed act.

This is the reason objection has come in from the group of honest commission merchants, from horticultural societies, and from a large number of growers. I merely make this statement by way of explanation.

Mr. HOCH. Will the gentleman yield?

Mr. GARBER of Virginia. Certainly.

Mr. HOCH. Does the gentleman contend that commission merchants or dealers who do the things stated in paragraph 7 are now not violating the antitrust laws?

Mr. GARBER of Virginia. I do not get the gentleman's question.

Mr. HOCH. Is it not true that anyone who does the things stated in paragraph 7 is a violator of the antitrust laws?

Mr. GARBER of Virginia. Well, I am not a lawyer and, therefore, I do not care to get into a technical discussion of the question.

Mr. HOCH. Let us just read the language:

Any commission merchant, dealer, or broker to conspire, combine, agree, or arrange with any other person to manipulate or control prices of any perishable agricultural commodity in interstate or foreign commerce.

If that is not a violation of the antitrust laws, which are directed against restraints of trade, then I do not know how you would write language that would declare an offense against the antitrust laws.

Mr. GARBER of Virginia. I might answer the gentleman by saying that the offender would come under the provisions of the antitrust laws, and there is, therefore, no real need for this provision in this bill.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HAUGEN. Mr. Chairman, there has been a good deal of time devoted to a discussion of these amendments, and I therefore ask unanimous consent that all debate on the amendments close in 13 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section close in 13 minutes. Is there objection?

There was no objection.

Mr. ABERNETHY. Mr. Chairman and members of the committee, I am sincerely for this bill and have been working very hard with the gentleman from the State of Washington and others to put this legislation over. The people in my section of



the country are large shippers of truck crops, and they are heartily in favor of this bill. I confess to you that if this amendment offered by the chairman—for whom I have a great respect, and I have followed him generally all these years in farm-relief legislation, and I was an original Haugenite in this House and was the only man in my section of the country who voted for the McNary-Haugen bill in all its virility when it was first put in the hopper—I am strong for this bill, but if you adopt this amendment I have very serious doubts in my mind in regard to it. I will be compelled to vote against this bill.

I think when you take out the conspiracy provision and you license these men and give them a privileged status in this country, and fail to surround them with the ordinary provisions of the law for conspiracy, you will have one of the greatest monopolies that the country has seen. I hope the gentleman from Iowa will withdraw the amendment; if he does not, I shall be compelled to vote against the bill.

Mr. HAUGEN. This is a committee amendment, offered by order of the committee.

Mr. ABERNETHY. But there is a division in the committee on it. Subsection 7 has been written into the bill by the committee. I understand the gentleman from Texas [Mr. JONES], the gentleman from South Carolina [Mr. FULMER], and the gentleman from Georgia [Mr. LARSEN], all able members of the committee on this side of the House, all are supporting the bill and want this subsection 7 to remain in it.

Mr. HAUGEN. There is no controversy among the members of the committee. The power is now lodged in one department to enforce what is provided in this subsection 7, and the question is whether it is to be lodged in one department where it now is or in more than one.

Mr. ABERNETHY. I want to follow the chairman, but I must go against him this time as far as this amendment is concerned.

Mr. HAUGEN. We think that it would be better to lodge the responsibility in one head, in one department, rather than in two.

Mr. PALMER. Mr. Chairman, I am opposed to this amendment. I think this is a good bill, and if we take out this section we take out the real substance of the measure. [Applause.]

Now, let us see to whom this bill is directed. First, it shall be unlawful for any commission merchant or broker to make any fraudulent charge in respect of any perishable agricultural commodity received in interstate or foreign commerce.

Second, for any dealer to reject or fail to deliver in accordance with the terms of the contract, without reasonable cause, any perishable agricultural commodity bought or sold, contracted to be bought or sold, in interstate or foreign commerce, by such dealers.

Third, for any commission merchant to discard, dump, or destroy without reasonable cause any perishable agricultural commodity.

Fourth, for any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement concerning the condition, quality, quantity, or disposition of, any perishable commodity, and so forth.

Fifth, for any commission merchant, dealer, or broker, for a fraudulent purpose, to represent by word, act, or deed that any perishable agricultural commodity was produced in a State or in a country other than the State or country in which it was actually produced.

Sixth, for any commission merchant, dealer, or broker, for a fraudulent purpose, to remove, alter, or tamper with any card, stencil, and so forth.

Seventh, for any commission merchant, dealer, or broker to conspire, combine, agree, or arrange with any other person to manipulate or control prices of any perishable agricultural commodity in interstate or foreign commerce.

Now, that is the very meat in the coconut to keep them from conspiring. You do not find that language anywhere else in the bill. That is the object of this legislation, as I understand, to keep the commission merchants from conspiring, combining, and agreeing or arranging with another person to manipulate and control prices of any perishable agricultural commodity in interstate or foreign commerce.

Now, then, what objection, what damage is this going to do if you leave it in the bill? And, in conclusion, I say that you will take out the real meat if you adopt this amendment. [Applause.]

Mr. GLOVER. Mr. Chairman, I am heartily in favor of this bill. I believe that it is a bill which will do as much for agriculture as the Haugen bill which we have already passed. In fact, the results of it will be very much quicker if you leave it in the form in which it is now. We are seeking to correct an evil which has existed for some time. We people of the South ship our products in the St. Louis and Chicago markets. We

have no one there to look after it, and much of the stuff shipped in there has fallen into the hands of corrupt people who have taken the product away from the farmer. This bill seeks to correct that. You are giving a privilege here when you license persons to do business of this kind in the city of Chicago or the city of St. Louis or any other city. There will be only a limited number who will be licensed to do business of that kind. Others will not be allowed to perform that sort of trade. You are giving a privilege to those people. That is all right. I have no objection to it. But when you come here now and have a provision that is to look after the bunch that you license to do that kind of business, the man who ships his goods into them would like to know that it will be unlawful for those people who are licensed to get together in a corner and form a conspiracy by which to control prices. I say to you that 10 men could be licensed in the Chicago market and that they could get together in a corner and fix the price, control the commodity, and rob every farmer in the South who ships into that market. The antitrust law as it is now will not touch them, as this will. This bill provides that when they violate its provisions, a complaint is made and it is the duty of the department to investigate the complaint, and prosecute it. You have the machinery set up here to get after that man when he tries to make that kind of a combination.

This provision, subsection (7), is the life of the bill. The bill provides that if this man that is licensed violates the provisions of the bill, his license is to be taken away from him, and it should be, and then if you can get him under the antitrust law and send him to the penitentiary, you ought to do it.

Mr. FULMER. If you strike subsection (7) out, these people will have a right not only to conspire to fix the prices to the producers but they can conspire to fix the prices to the consumer and rob him out of the difference.

Mr. GLOVER. Absolutely.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. Yes.

Mr. MICHENER. The gentleman from Arkansas is wrong or the gentleman from Texas [Mr. JONES] is wrong, because Mr. JONES told us that under this provision the most that could be done would be to revoke the license, and the gentleman from Arkansas suggests that we catch the man and prosecute him.

Mr. GLOVER. Let me read it to the gentleman:

It shall be unlawful in or in connection with any transaction in interstate or foreign commerce—

(7) For any commission merchant, dealer, or broker, to conspire, combine, agree—

And so forth.

That makes it a violation of the law.

Mr. MICHENER. Yes; but where is the penalty?

Mr. GLOVER. It is in the statute here.

Mr. MICHENER. The gentleman from Texas says that it is not.

Mr. JONES of Texas. They can take his license away from him.

Mr. GLOVER. And without this you could not do it.

The CHAIRMAN. The time of the gentleman from Arkansas has expired. All time has expired. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. HAUGEN. Mr. Chairman, I offer the following amendment to the committee amendment.

The Clerk read as follows:

Committee amendment by Mr. HAUGEN: Page 21, strike out the period in line 2, insert a colon and the following:

Provided, That this paragraph shall not be construed in any way to abridge or alter any of the rights or privileges under any other provision of law of any cooperative association qualified under the act entitled "An act to authorize an association of producers of agricultural products," approved February 18, 1922.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LEAVITT, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 108 and had come to no resolution thereon.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of

the two Houses on the amendments of the Senate to the bill (H. R. 6564) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1931, and for other purposes."

The message also announced that the Senate further insists upon its amendments to the bill (H. R. 2667) entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes," numbered 364, 371, 885, 893, 903, 904, 1004, 1006, 1091, 1093, 1095, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1138, 1139, 1140, 1141, and 1151, relating to matters of substance; and amendments numbered 40, 41, 42, 43, 48, 49, 65, 66, 67, 374, 375, 377, 379, 380, 381, 383, 385, 386, 387, 895, 896, 897, 898, 899, 901, 902, 905, 906, 907, 908, 909, 910, 911, 913, 914, 915, 916, 917, 919, 920, 921, 922, 923, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 940, 942, 945, 946, 947, 948, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 987, 989, 992, 993, 995, 997, 999, 1002, 1003, 1008, 1009, 1010, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1031, 1032, 1033, 1034, 1036, 1037, 1038, 1039, 1040, 1041, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1055, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1066, 1067, 1068, 1070, 1071, 1072, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1085, 1086, 1087, 1089, 1090, 1094, 1096, 1098, 1099, 1102, 1103, 1104, 1105, 1109, 1111, 1112, 1156, 1157, 1171, and 1179, of a clerical nature, disagreed to by the House, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMOOT, Mr. WATSON, Mr. SHORTRIDGE, Mr. SIMMONS, and Mr. HARRISON to be the conferees on the part of the Senate.

#### NAVAL APPROPRIATION BILL

Mr. FRENCH, by direction of the Committee on Appropriations, reported the bill (H. R. 12236, Rept. No. 1395) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1931, and for other purposes, which was referred to the Union Calendar and ordered printed.

Mr. LA GUARDIA and Mr. JONES of Texas reserved all points of order.

#### INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. CRAMTON. Mr. Speaker, I submit for printing the conference report on the bill H. R. 6564, the Interior Department appropriation bill.

#### RELATION OF THE FEDERAL WAREHOUSE ACT TO THE FEDERAL MARKETING ACT

Mr. GARBER of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein a memorandum from the chief of the warehouse division of the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GARBER of Oklahoma. Mr. Speaker, Members of the House, the recent resolution of the board of directors of the National Chamber of Commerce, under the direction of Benjamin Butterworth, its president, and Julius Barnes, as chairman of the board, demanding a repeal of the effective provisions of the Federal marketing act and criticizing its administration by the Federal Farm Board, does not represent the consensus of opinion of the business men of the country, and by business men I include the men engaged in business throughout the entire country and who are members of their various chambers of commerce in their respective localities. The resolution referred to was simply jammed through the chamber under the leadership of Julius Barnes, chairman of the board, representing the grain interests of the country, with the aid of big business. No referendum was ever submitted to the membership of the organization. They were not consulted, and the high-handed action taken is a direct repudiation of the action taken by the membership by referendum vote demanding the enactment of remedial legislation.

The business men's commission on agriculture, appointed by the National Chamber of Commerce to investigate conditions and report and suggest remedial measures, was composed of some of the ablest representative executives in the United States, as is shown by the following list of its membership:

Charles Nagel, St. Louis, Mo. (chairman), of Nagel & Kirby; E. N. Brown, New York City, St. Louis-San Francisco Railway Co.; E. M. Herr, New York City, president Westinghouse Electric & Manufacturing Co.; J. G. Lonsdale, St. Louis, Mo., president National Bank of Com-

merce; A. F. McKissick, Greenville, S. C., vice president Alice Mills; Clay Miller, San Francisco, Calif., of Clay Miller & Co.; Arthur R. Rogers, Minneapolis, Minn., president Rogers Lumber Co.; John Stuart, Chicago, Ill., president Quaker Oats Co.; Alfred H. Swayne, New York City, vice president General Motors Corporation; Paul M. Warburg, New York City, chairman International Acceptance Corporation.

After a thorough investigation and study of the conditions of agriculture they made their report to the chamber, which included the following suggestions:

The commission suggests, therefore, that a Federal Farm Board, consisting of a small number of men appointed by the President, should be established to aid in the stabilization of prices and production in agriculture by advising farmers and farm organization fully and promptly regarding the planning of production and the marketing of crops. This board should make use of the facilities of the United States Department of Agriculture and be assisted in its work by advisory committees composed of persons adequately representing each important branch of agriculture and directly responsible to farmers and farm organizations who would cooperate with it both in supplying information and advice and in making its influence effective in the production and marketing of crops.

With the advice and assistance of the Federal Farm Board effort should be made to organize stabilization corporations to engage in the buying and selling of farm products for the purpose of stabilizing prices. Such corporations should be established through the cooperation of farm organizations, of private business organizations and of the Government acting through the Federal Farm Board, each of these supplying a part of the capital necessary. The Federal Government should at no time hold a controlling interest in the corporations, although it should participate in their management and be in a position to exercise such supervision over them as it does over the national banks, the Federal land banks, and the intermediate credit system.

These suggestions were incorporated in the Federal marketing act of 1929 and are essential to the vitality of the act although it is bottomed upon the effectiveness of cooperative organizations composed of the producers of agricultural products.

Just now the act and its administration by the Federal Farm Board are going through a crucial test of vicious criticism and attack by those interests making millions out of the merchandising of farm products. In other words, their position is that they only should exercise the privilege of marketing farm products and that the producers, through their organizations, should not be permitted to do so.

One of the main objectives of farm relief was to cut out the unnecessary overhead between the producer and the consumer. That overhead of so many different agencies handling the farmers' products exacted an average annual toll of \$11,951,000,000; or, in other words, out of every dollar's worth of farm products the farmer produced he was only permitted to retain 45 cents.

The present criticism, denunciation, and violent assault of the law and its administration is the best evidence of its effectiveness in gradually attaining the above objective. As Chairman Legge put it: If the law did not work, there would be no objection. Or, in other words, they only favor farm relief so long as it does not work.

Supplementing the agricultural marketing act is the warehouse act, enacted in 1916. The proposed amendments now pending should be adopted. The act should be strengthened. It supplements the Federal marketing act. It is essential to storage. Storage is essential to orderly marketing. Orderly marketing is essential to the stabilization of the prices of farm products and their stabilization is essential to the exaction of reasonable prices to the producers. The Federal warehouse act is gradually winning its way into greater and wider usefulness. The following statement furnished me by H. Stanford Yohe, principal marketing specialist of the warehouse division of the Department of Agriculture, gives valuable information as to the utilization of storage through the act. Mr. Yohe is recognized as one of the leading marketing specialists of the United States, in full sympathy with the farmers and their efforts to better their conditions through cooperative organizations. His services in this connection will be appreciated upon a careful perusal of the statement which I append.

#### MEMORANDUM ON UNITED STATES WAREHOUSE ACT

The Federal warehouse act was passed in August, 1916. Little use was made of it for the first five years following its passage. Since then its use has increased substantially each year until to-day 635 warehouses of various sizes and storing various agricultural products are operating under its provisions.

The following table shows the number of warehouses by commodities and the amounts of such commodities that are storable in these warehouses at one time:



## Commodities stored in warehouses

Commodity	Number	Capacity
Cotton.....bales	332	4,022,310
Grain.....bushels	185	42,585,497
Wool.....pounds	20	37,158,940
Tobacco.....do	7	202,700,000
Peanuts.....tons	11	14,955
Broomcorn.....bales	1	1,000
Dried beans.....hundredweight	12	575,760
Sirup.....gallons	13	1,079,610
Dried fruit.....pounds	1	4,000,000
Canned foods.....cases	45	2,424,900
Cottonseed.....tons	4	16,000
Cold-pack fruit.....pounds	4	4,235,000

During the past eight years farmers' cooperative marketing associations, handling products which are eligible for storage under the act, have used these federally licensed warehouses on a large scale. With the exception of two, all of the large cotton-growers' associations have been using, and are using, Federal warehouse receipts as a basis of their financial operations. The various cooperative wheat-growers' associations, including the Central States Wheat Growers' Association, the Southwest Wheat Growers' Association, the Oklahoma Wheat Growers' Association, the Texas Wheat Growers' Association, the Kansas Wheat Growers' Association, and the Northwest Wheat Growers' Association, have used Federal warehouse receipts. The large tobacco cooperative growers' associations, when they were functioning, depended entirely upon such receipts for their financing. The Colorado Bean Growers' Association has been using them exclusively from the beginning of their organization. The same is true of the Idaho Bean Growers' Association. The Arkansas Rice Growers' Association has been depending on Federal warehouse receipts. There are any number of other cooperative associations handling dried fruit, canned foods, wool, and other commodities which store their products in federally licensed warehouses with the idea of getting a receipt which will aid them to the utmost in financing their members.

In addition to the use made by these various cooperative associations of the warehouse act, there are thousands of handlers of agricultural products and tens of thousands of individual farmers who are also using federally licensed warehouses. The very largest cotton dealers of the country are using these federally licensed warehouses because both these dealers and their bankers have come to recognize that when products are stored in these federally licensed warehouses they will be there when delivery is desired and the banks recognize the merits of the many safeguards that are thrown about these warehouses to protect the collateral.

Quotations from a few letters regarding the warehouse act may be of service.

A large grain operator in Omaha, who stores for the farmers and for cooperative associations, advises in part as follows:

"Everyone admits that if we are working under the Government system we have everything that could be desired. Our operating under the law has made it possible for us to borrow about double the funds we did before and at lower interest than the prevailing rates."

From the Colorado Bean Growers' Association came this word:

"We have found the warehouse act invaluable in financing the operations of our association during the past two years."

From the operator of perhaps the largest tobacco warehouses in the country comes this word:

"I have sixty and odd warehouses here covering more than one and one-quarter million square feet of space, and have had them all bonded under the warehouse act for more than five years. \* \* \* I have, at the present time, more than 85,000 hogsheads and cases of tobacco, something over 80,000,000 pounds in weight and \$20,000,000 in value. I simply mention this to give you some idea of the volume of business being handled. I do not see how your association can fail to realize what a great help this branch of the Department of Agriculture is to the farmer, the dealer, and the warehouseman."

In the attached circular, on pages 6, 7, 8, and 9, certain paragraphs are marked in the margin with blue pencil, directing attention to the opinions of leading bankers concerning the warehouse receipts issued under the United States warehouse act.

The proposed amendments to the warehouse act now under consideration have several objectives:

First, the present law imposes certain administrative duties upon the Secretary, which, as a matter of fact, because of the volume, must be handled by subordinates. It is, therefore, proposed in some of the amendments to relieve the Secretary of this detail, placing it in the hands of persons whom he will designate. In other words, these amendments are made for administrative convenience.

The amendment to section 10 authorizes the collection of a fee from persons who are licensed to inspect, grade, and/or weigh agricultural products. At present no such fee is authorized, and since the license is of distinct service to the persons who are licensed there is no reason why a reasonable fee should not be charged.

The amendment to section 29 is one of the most important now suggested. In a good many States there are State warehousing laws, many

of which are merely declaratory of what the law should be and have no administrative machinery. The Federal warehouse act as now worded provides that where there is a conflict of law between the State and Federal law that the State law shall prevail.

Experience has demonstrated that this is an unsound provision. As a general thing it is an easy matter to have a statute in a State amended. The result is that when the Federal act has a specific provision which does not meet the approval of some people they promptly attempt to have the State law amended regardless of the fact that the Federal requirement is absolutely sound. With the State law the opposite of what the Federal law is, and with section 29 of the Federal act worded as it now is, it at once is apparent that the Federal act is defeated in its purpose.

Several such instances have already taken place, with the result that either unsound conditions were created or that unnecessary hardships were imposed upon the warehousemen or they were driven from the Federal warehouse system. Either of these conditions is undesirable, because the Federal act and the warehouse receipts issued thereunder have both been recognized by the leading bankers of the country from one end to the other.

The Federal warehouse act has played no small part in the large scale financing which many of our leading cooperative growers' associations have required, and everything should be done to strengthen this act rather than to weaken it.

Only recently the vice president of one of the largest banks in the Pacific Northwest, where they have cooperative growers' associations handling various commodities, in writing an article in one of the leading banking journals made the following statement regarding federally licensed receipts and the amendments now pending in Congress to the Federal warehouse act:

"Fortunately, so far as those interested in the products of agriculture are concerned, the Federal Government several years ago recognized the necessity of protecting the farmer by the proper storage of his products. \* \* \* Federal licensing has spread rapidly over the country, and wherever it is employed has proved its worth and demonstrated the value of a receipt that can be absolutely relied upon as collateral security. In the case of a federally licensed warehouse, the banker is relieved of the necessity of determining the standing and integrity of the warehouseman, his ability, and the quality of his equipment. \* \* \*

"A bill now pending in Congress, known as Senate bill 1202, provides for amending the Federal warehouse act. Briefly stated, the purposes of the amendment are to fortify the act in a few places where experience has demonstrated such need. Perhaps the most important of these needed changes is to relieve the operation of the act from interference by State laws, as has been permitted in some parts of the country. This is reasonable and in accord with other Federal enactments, such as the national bank act, the Federal reserve act, and others. The Federal warehouse act is not mandatory legislation, and the warehouseman only operates under it when he chooses to do so and is able to meet its requirements. To strengthen this law is to strengthen the collateral issued thereunder, and not have it subject to attack by those who do not want to practice sound warehousing."

## RECOMMITTAL OF THE BILL H. R. 8461

Mr. STRONG of Kansas. Mr. Speaker, I ask unanimous consent to vacate the proceedings under which the bill H. R. 8461 was laid on the table, and that the bill be recommitted to the Committee on War Claims.

The SPEAKER. The gentleman from Kansas asks unanimous consent to vacate the proceedings by which the bill H. R. 8461 was laid on the table, and that the bill be recommitted to the Committee on War Claims. Is there objection?

Mr. SCHAFER of Wisconsin. Reserving the right to object, Mr. Speaker, what is the purpose of the bill?

Mr. STRONG of Kansas. To make a refund to a steel company. The bill was reported adversely, and then the committee had additional testimony, so that we ask to have the proceedings vacated and the bill recommitted to the committee.

Mr. SCHAFER of Wisconsin. It was a unanimous report, was it?

Mr. STRONG of Kansas. Yes.

Mr. SCHAFER of Wisconsin. What do you want it to go back for?

Mr. HARE. This bill was reported from the committee of which I have the honor to be a member. It was reported adversely, but since then information has been received to the effect that our previous information was erroneous.

Mr. LAGUARDIA. What action of the House is the request of the gentleman intended to vacate?

Mr. STRONG of Kansas. The proceedings by which the bill was reported adversely.

The SPEAKER. A bill reported adversely under the rules shall lie on the table unless a request is made within three days that it be referred to the calendar. That request not having

been made, the bill automatically went to the table. Is there objection to the request of the gentleman from Kansas?

There was no objection.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 11780. An act granting the consent of Congress to Louisville & Nashville Railroad Co. to construct, maintain, and operate a railroad bridge across the Ohio River at or near Henderson, Ky.; and

H. J. Res. 305. Joint resolution providing for the participation by the United States in the International Conference on Load Lines, to be held in London, England, in 1930.

The SPEAKER announced his signature to a bill and joint resolution of the Senate of the following titles:

S. 2076. An act for the relief of Drinkard B. Milner; and

S. J. Res. 135. Joint resolution authorizing and requesting the President to extend to foreign governments and individuals an invitation to join the Government and people of the United States in the observance of the one hundred and fiftieth anniversary of the surrender of Lord Cornwallis at Yorktown, Va.

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval a joint resolution of the House of the following title:

H. J. Res. 305. Joint resolution providing for the participation by the United States in the International Conference on Load Lines, to be held in London, England, in 1930.

#### ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned, to meet to-morrow, Thursday, May 8, 1930, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, May 8, 1930, as reported to the floor leader by clerks of the several committees:

##### COMMITTEE ON EDUCATION

(10.30 a. m.)

To provide for the further development of vocational education in the several States and Territories (H. R. 10821).

##### COMMITTEE ON WAR CLAIMS

(4.30 p. m.)

For the relief of George B. Marx (H. R. 1611).

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

To amend section 4530 of the Revised Statutes of the United States (H. R. 6789).

To amend section 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea" (H. R. 6790).

##### COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To consider branch, chain, and group banking as provided in House Resolution 141.

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(11 a. m.)

To reorganize the Federal Power Commission and to amend the Federal water power act (H. R. 11408).

##### SUBCOMMITTEE

(10 a. m.)

To amend an act entitled "An act to regulate interstate transportation of black bass, and for other purposes," approved May 20, 1926 (H. R. 9890).

##### COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

To amend the naturalization law (H. R. 3547).

#### COMMITTEE ON FLOOD CONTROL

(10.30 a. m., 2.30 p. m., and 8 p. m.)

To provide for a survey of the Colorado River, Tex., with a view to the prevention and control of floods (H. R. 11659).

To consider the economics involved in flood control in areas affected by backwaters of the Mississippi River.

To amend section 7 of Public Act No. 291, Seventieth Congress, approved May 15, 1928 (H. R. 8479).

To amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, approved May 15, 1928" (H. R. 11548).

The committee will hear proposals to construct a spillway below New Orleans.

#### COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10.40 a. m.)

Authorizing any executive department or independent establishment to do work for any other executive department or independent establishment and prescribing the method of payment therefor (H. R. 10199).

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. R. 9001. A bill to provide for the appointment of an additional circuit judge for the third judicial circuit; without amendment (Rept. No. 1389). Referred to the Committee of the Whole House on the state of the Union.

Mr. KIESS: Committee on Printing. H. R. 8653. A bill to authorize Members of Congress to exchange with the Public Printer Government publications for public distribution; without amendment (Rept. No. 1390). Referred to the House Calendar.

Mr. KOPP: Committee on Labor. H. R. 995. A bill to create in the Bureau of Labor Statistics of the Department of Labor a division of safety; without amendment (Rept. No. 1392). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 10880. A bill authorizing the construction of the Michaud division of the Fort Hall Indian irrigation project, Idaho, an appropriation therefor, and the completion of the project, and for other purposes; with amendment (Rept. No. 1393). Referred to the Committee of the Whole House on the state of the Union.

Mr. FRENCH: Committee on Appropriations. H. R. 12236. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1931, and for other purposes; without amendment (Rept. No. 1395). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H. R. 11899. A bill to make a correction in an act of Congress approved February 28, 1929; without amendment (Rept. No. 1391). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRITTEN: A bill (H. R. 12229) to amend the act of March 4, 1911, entitled "An act for the establishment of marine schools, and for other purposes"; to the Committee on Naval Affairs.

By Mr. JAMES (by request of the War Department): A bill (H. R. 12230) to permit naval and Marine Corps service of Army officers to be included in computing dates of retirement; to the Committee on Military Affairs.

By Mr. McDUFFIE: A bill (H. R. 12231) authorizing the exchange of certain real properties situated in Mobile, Ala., between the Secretary of Commerce on behalf of the United States Government and the Gulf, Mobile & Northern Railroad Co., by the appropriate conveyances containing certain conditions and reservations; to the Committee on Interstate and Foreign Commerce.

By Mr. WURZBACH: A bill (H. R. 12232) authorizing P. D. Anderson and W. B. Johnson, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rio Grande River between Presidio, Tex., and Ojinaga, Mexico; to the Committee on Interstate and Foreign Commerce.



By Mr. KNUTSON: A bill (H. R. 12233) authorizing the Robertson & Kanine Co., of Montreal, Canada, its successors and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: A bill (H. R. 12234) to authorize the use of certain land owned by the United States in the District of Columbia for street purposes; to the Committee on the District of Columbia.

By Mr. CRAMTON: A bill (H. R. 12235) to provide for the creation of the colonial national monument in the State of Virginia, and for other purposes; to the Committee on the Public Lands.

By Mr. FRENCH: A bill (H. R. 12236) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1931, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. GREGORY: A bill (H. R. 12237) to confer additional jurisdiction on the United States Board of Tax Appeals, and for other purposes; to the Committee on Ways and Means.

By Mr. GRAHAM: Concurrent resolution (H. Con. Res. 31) to print 10,000 additional copies of the hearings held before the House Committee on the Judiciary on joint resolutions proposing to amend the Constitution of the United States relating to the manufacture and sale of intoxicating liquors within the United States; to the Committee on Printing.

By Mr. BROWNE: Joint resolution (H. J. Res. 333) to authorize an appropriation of \$10,000 for the expenses of participation by the United States in the Ninth International Dairy Congress, Copenhagen, Denmark, 1931; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLTON: A bill (H. R. 12238) granting an increase of pension to Millie Burton; to the Committee on Invalid Pensions.

By Mr. CLAGUE: A bill (H. R. 12239) for the relief of Lela B. Smith; to the Committee on Claims.

By Mr. CROWTHER: A bill (H. R. 12240) granting an increase of pension to Mary A. McLeod; to the Committee on Invalid Pensions.

By Mr. DOUGHTON: A bill (H. R. 12241) granting a pension to Minnie Phillips; to the Committee on Pensions.

By Mr. EATON of Colorado: A bill (H. R. 12242) granting a pension to Inez I. Beghtol; to the Committee on Invalid Pensions.

By Mr. ESTERLY: A bill (H. R. 12243) granting an increase of pension to Emma C. Phillips; to the Committee on Invalid Pensions.

By Mr. HALE: A bill (H. R. 12244) for the relief of Mary Oliver; to the Committee on Military Affairs.

By Mr. HOGG: A bill (H. R. 12245) granting an increase of pension to Emily M. Kiser; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 12246) granting an increase of pension to Eva L. Brown; to the Committee on Invalid Pensions.

By Mr. IRWIN: A bill (H. R. 12247) to authorize credit in the disbursing accounts of certain officers of the Army of the United States; to the Committee on Claims.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 12248) granting an increase of pension to Barbara C. Bitner; to the Committee on Invalid Pensions.

By Mr. McCORMACK of Massachusetts: A bill (H. R. 12249) for the relief of Harry Siegel; to the Committee on Military Affairs.

By Mr. MILLIGAN: A bill (H. R. 12250) granting a pension to Margaret A. Alley; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 12251) granting a pension to Margaret McMurray; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 12252) granting an increase of pension to Marguerite Denny; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12253) granting an increase of pension to Mary H. Clintsman; to the Committee on Invalid Pensions.

By Mr. STOBBS: A bill (H. R. 12254) to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass.; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H. R. 12255) granting a pension to Mary Gresh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12256) granting an increase of pension to Ella J. Heasley; to the Committee on Invalid Pensions.

By Mr. WOLVERTON of New Jersey: A bill (H. R. 12257) granting an increase of pension to Anna M. Dielkes; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 12258) granting an increase of pension to Amy M. Browne; to the Committee on Pensions.

By Mr. ZIHLMAN: A bill (H. R. 12259) granting a pension to Carrie Lynch; to the Committee on Invalid Pensions.

By Mr. BACON: A bill (H. R. 12260) granting an increase of pension to Georgia A. Harlow; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7217. By Mr. BRUNNER: Petition of the National Council of Jewish Women, North Shore section, Long Island, N. Y., protesting against the passage of Senate bill 1278 and House bills 10669 and 11876, as fixing educational standards for applicants for citizenship entirely too high for adult aliens; to the Committee on Immigration and Naturalization.

7218. By Mr. CRADDOCK: Resolution of Woman's Christian Temperance Union, Hardinsburg, Ky., signed by Mrs. A. Kinchloe, president, and Clara Eskridge, secretary, requesting the House of Representatives to pass legislation providing for Federal supervision of motion pictures that are to be licensed for interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

7219. By Mr. COYLE: Petition of Bethlehem Council, No. 508, Fraternal Patriotic Americans, Bethlehem, Northampton County, Pa., urging the enactment of the Robson-Capper free public school bill into law; to the Committee on Education.

7220. By Mr. ENGLEBRIGHT: Petition of Mitchell Tillotson, secretary Modoc County Development Board, approving House bill 9599; to the Committee on Agriculture.

7221. By Mr. EVANS of California: Petition of Ida Bick, and signed by approximately 250 others, urging the passage of the Robson-Capper education bill; to the Committee on Education.

7222. By Mr. GARBNER of Oklahoma: Petition of Oklahoma City Chamber of Commerce, favoring Crisp and Simmons bills but calling attention to fact that the word "Oklahoma" should be included in both; to the Committee on Irrigation and Reclamation.

7223. Also, petition of Southern States Art League, New Orleans, La., in support of House bill 7243, design copyright bill, introduced by Mr. VESTAL; to the Committee on Patents.

7224. By Mr. GLOVER: Memorial of common council of the city of Camden, State of Arkansas, to proclaim October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

7225. By Mr. GREENWOOD: Petition of Rodney H. Delphia and 148 other members of Burch-Wood Post, No. 121, the American Legion, for the immediate payment in cash of the adjusted-service certificates to the World War veterans; to the Committee on World War Veterans' Legislation.

7226. By Mr. GUEVARA: Resolution adopted by Nagtitipunan Daguiti Ilocanos Association of San Pablo, Laguna, P. I., signed by Faustino Espiritu, president, and Jose E. Estavillo, secretary, protesting against the violence committed upon the Filipino residents of Watsonville, Calif.; to the Committee on Insular Affairs.

7227. Also, resolution No. 44 of the Municipal Council of San Pablo, Laguna, P. I., adhering to the bill of Senator King which provides for the complete, immediate, and absolute independence of the Philippine Islands, and earnestly requesting the members of the Philippine independence mission and the Resident Commissioners to give their utmost support and recommend that the bill be approved by Congress; to the Committee on Insular Affairs.

7228. Also, resolution unanimously adopted by the inhabitants of the municipality of Caviuti, Province of Laguna, P. I., upon the occasion of Rizal's Day celebration, expressing their sincere desire, as a component part of the people of the Philippine Archipelago, to be free and independent. The resolution was signed by Onofre Valente, chairman, and members of the committee on Rizal Day; to the Committee on Insular Affairs.

7229. By Mr. KORELL: Petition of residents of Multnomah County, Oreg., urging the enactment of House bill 8976; to the Committee on Pensions.

7230. By Mr. O'CONNELL of New York: Petition of the Chamber of Commerce of the State of New York, favoring a 24-hour quarantine service at New York; to the Committee on the Merchant Marine and Fisheries.

7231. Also, petition of the National Retail Dry Goods Association of New York, favoring certain amendments to House bill 11852, copyright bill; to the Committee on Patents.

7232. By Mr. SELVIG: Petition of city council of Two Harbors, Minn., urging enactment of House Joint Resolution 167, setting aside October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

7233. By Mr. SMITH of West Virginia: Petition of the postal employees of Elkins, W. Va., favoring the passage of Kendall 44-hour week bill; to the Committee on the Post Office and Post Roads.

7234. By Mr. SULLIVAN of Pennsylvania: Petition of Pittsburgh Sisterhood, No. 80, Dames of Malta, representing a membership of 200, urging immediate consideration of Robsion-Capper bill; to the Committee on Education.

## SENATE

THURSDAY, May 8, 1930

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Thou who art ever near, yet invisible to our dim eyes; who dwellest in the innermost, yet art unknown to our distracted thought, we come to Thee with no fond feeling of perfection reached, but only with the wistfulness of need. Give us this day Thy life in such abundance that we may bathe our souls in Thy pure light; give us sufficient of Thy power that we may be a power of righteousness among our fellow men; give us such measure of Thy love that all the lesser things of time and sense may fade before the vision of the highest, holiest manhood.

And if Thou seest fit to lead us through the shadowland of sorrow, suffering, or sacrifice, make us to be as those whose hearts are set on high, whose minds are generous and lofty, for the sake of Him whose sorrow stays our feet, whose suffering stirs our hearts, whose sacrifice doth save our souls, Jesus Christ our Lord. Amen.

## THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative days of Monday, April 21, 1930, and Wednesday, April 30, 1930, when, upon request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, its enrolling clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7. An act to amend sections 4, 6, 8, 9, 10, 11, 12, 25, 29, and 30 of the United States warehouse act, approved August 11, 1916, as amended;

H. R. 730. An act to amend section 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended; and

H. R. 10877. An act authorizing appropriations to be expended under the provisions of sections 4 to 14 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 2076. An act for the relief of Drinkard B. Milner;

H. R. 11780. An act granting the consent of Congress to Louisville & Nashville Railroad Co. to construct, maintain, and operate a railroad bridge across the Ohio River at or near Henderson, Ky.; and

S. J. Res. 135. Joint resolution authorizing and requesting the President to extend to foreign governments and individuals an invitation to join the Government and people of the United States in the observance of the one hundred and fiftieth anniversary of the surrender of Lord Cornwallis at Yorktown, Va.

## CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Black	Bratton	Caraway
Ashurst	Blaine	Brock	Connally
Barkley	Bleuse	Broussard	Copeland
Bingham	Borah	Capper	Couzens

Cutting	Hebert	Phipps	Swanson
Deneen	Howell	Pine	Thomas, Idaho
Dill	Johnson	Pittman	Thomas, Okla.
Fess	Jones	Ransdell	Trammell
Frazier	Kean	Reed	Tydings
Glass	Kendrick	Robinson, Ark.	Vandenberg
Glenn	Keyes	Robinson, Ind.	Wagner
Goldsbrough	La Follette	Schall	Walcott
Gould	McKellar	Sheppard	Walsh, Mass.
Greene	McMaster	Shortridge	Walsh, Mont.
Hale	McNary	Simmons	Waterman
Harris	Metcalf	Smoot	Watson
Harrison	Norris	Steck	Wheeler
Hatfield	Oddie	Steinwer	
Hawes	Overman	Stephens	
Hayden	Patterson	Sullivan	

Mr. FRAZIER. My colleague [Mr. NYE] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I wish to announce that the Senator from Florida [Mr. FLETCHER], the Senator from Utah [Mr. KING], and the Senator from South Carolina [Mr. SMITH] are all detained from the Senate by illness.

Mr. BLACK. I desire to announce that my colleague the senior Senator from Alabama [Mr. HEFLIN] is necessarily detained in his home State on matters of public importance.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

## PETITIONS AND MEMORIALS

Mr. HARRIS presented a resolution adopted by the Common Council of the City of Elberton, Ga., favoring the passage of legislation designating October 11 of each year as General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, Revolutionary War hero, which was referred to the Committee on the Library.

Mr. RANDELL presented resolutions of the Louisiana Bankers' Association, which were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution of Louisiana Bankers' Association favoring less Government in business

Whereas the very fundamental of the right of the private enterprise of our Republic is being trespassed upon through interference by the activities of our Federal Government;

Whereas this is particularly true at the present time through an encroachment upon the established, recognized, and orderly conduct of activities agricultural; and

Whereas this interference establishes a precedent for the extension of Government interference into unlimited lines of industry: Therefore be it

Resolved, That the Louisiana Bankers' Association views with increasing alarm the further encroachment of Government into private business affairs; be it further

Resolved, That this association feels that the time has come to build up a clear understanding of the need for less Government in business so that private enterprises may expand and prosper; be it further

Resolved, That a copy of this resolution be forwarded by the secretary of the Louisiana Bankers' Association to the Members of the United States House of Representatives and the United States Senators from Louisiana; be it further

Resolved, That the American Bankers' Association be requested to indorse this principle and further requested to communicate their action to all of the United States Congressmen and Senators in the several States, together with a copy to His Excellency President Hoover.

G. R. BROUSSARD, Secretary.

APRIL 26, 1930.

Mr. WALCOTT presented a resolution adopted by the Board of Aldermen of the City of New Haven, Conn., favoring the ordering by Congress of a popular referendum on the eighteenth amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented petitions and papers in the nature of petitions of the United Brotherhood of Carpenters and Joiners, of New Haven; the Connecticut Federation of Labor, of Bridgeport; the New Haven Trades Council, the Hartford Central Labor Union, and the United Brotherhood of Carpenters and Joiners, of Noank, all in the State of Connecticut, praying for the passage of House bill 10343, providing for the placing of immigrants from countries of the Western Hemisphere under quota restriction, which were referred to the Committee on Immigration.

He also presented petitions and papers in the nature of petitions of Frederick Fuller Camp, No. 24, United Spanish War Veterans, of Guilford; Allen M. Osborn Camp, No. 1, United Spanish War Veterans, of New Haven; Burdette Camp, United Spanish War Veterans, of Hartford; Ernest Weichert Camp, No. 26, United Spanish War Veterans, of Danbury; N. W. Bishop Camp, No. 3, United Spanish War Veterans, of Bridgeport; William Hamilton Camp, No. 20, United Spanish War Veterans, of